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Senate Hearings

Before the Committee on Appropriations

COMPLETED

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ORIGINAL

Legislative Branch Appropriations

Fiscal Year 1986

99th CONGRESS, FIRST SESSION

H.R. 2942

U.S. SENATE
ARCHITECT OF THE CAPITOL (EXCEPT HOUSE ITEMS)
CONGRESSIONAL BUDGET OFFICE
GENERAL ACCOUNTING OFFICE
GOVERNMENT PRINTING OFFICE
LIBRARY OF CONGRESS
OFFICE OF TECHNOLOGY ASSESSMENT

S. HRG. 99-178

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1986

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON

H.R. 2942

AN ACT MAKING APPROPRIATIONS FOR THE LEGISLATIVE BRANCH FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1986, AND FOR OTHER PURPOSES

U.S. SENATE
ARCHITECT OF THE CAPITOL (EXCEPT HOUSE ITEMS)
CONGRESSIONAL BUDGET OFFICE
GENERAL ACCOUNTING OFFICE
GOVERNMENT PRINTING OFFICE
LIBRARY OF CONGRESS
OFFICE OF TECHNOLOGY ASSESSMENT

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CONTENTS

Tuesday, May 14, 1985

U.S. Senate: Page
Office of the Secretary of the Senate 1
Office of the Sergeant-at-Arms and Doorkeeper 39

Thursday, May 16, 1985

Library of Congress 73
Architect of the Capitol 161

Tuesday, May 21, 1985

Congressional Budget Office 243
Government Printing Office 291
General Accounting Office 317
Office of Technology Assessment 435

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1986

TUESDAY, MAY 14, 1985

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 11 a.m. in room S-128, the Capitol, Hon. Alfonse D'Amato (chairman) presiding.

Present: Senator D'Amato.

U.S. SENATE

OFFICE OF THE SECRETARY OF THE SENATE

STATEMENT OF HON. JO-ANNE L. COE, SECRETARY OF THE SENATE

ACCOMPANIED BY:
LYNDA NERSESIAN, ASSISTANT SECRETARY OF THE SENATE
STUART BALDERSON, FINANCIAL CLERK OF THE SENATE

PREPARED STATEMENT

Senator D'AMATO. First of all, let me apologize for coming in at this hour, but I had another meeting. I will ask that the remarks which have been prepared so thoroughly and thoughtfully by Mrs. Coe, all be included in the record.

I am delighted to have you here. I ask that these remarks be put in the record in their entirety.

Mrs. COE. Very well.

[The statement follows:]

STATEMENT OF JO-ANNE L. COE

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to appear today to present the 1986 fiscal year budget for the Office of the Secretary. The total appropriation of $7,636,000 reflects a $327,200 decrease over the previous year and $669,200 less than the plan submitted by the previous administration last fall in anticipation of the fiscal year 1986 appropriation.

Recognizing the extraordinary budgetary problems that are faced by this country and your commitment, Mr. Chairman, and that of the Majority Leader, to reduce the federal deficit, this year's appropriation reflects my best efforts to keep the appropriation for the Secretary's Office as low as possible. I have amended my predecessor's projected budget--a very sound and well-drafted plan--by a reduction of nearly $700,000, or over 8 percent of this office's original submission.

My goal has been to hold expenses to fiscal year 1985 levels or cut them wherever possible without diminishing the quality of output. In addition to a reduction of $300,000 in salaries, in 16 of 21 categories of other expenses for this office, I have cut costs or frozen fiscal year 1986 appropriations at fiscal year 1985 levels. Where increases are requested, I have determined that the increase is imperative to the smooth operation of the Senate.

SUMMARY OF DECREASES

The most significant decrease in the overall budget stems from our voluntary reduction in our salary account of $300,000. I believe that as is expected of other government agencies, this office must rein itself in--and that means that staffing of the various departments will come under a more intense scrutiny than ever before. In addition, we will freeze all salaries for FY 86 at the levels existing at the end of FY 85.

Another significant decrease in the overall budget results from a cost reduction in the education of Senate pages. Our contract with the District of Columbia for fiscal year 1985 totals $186,000. We do not anticipate increases in the education of pages totaling over $15,000 for fiscal year 1986. Therefore, we were able to decrease our budget request by $50,000 with regard to this expense.

OFFICE OF THE SECRETARY

	FISCAL YEAR 1985	FISCAL YEAR 1986	INCREASE/DECREASE
SALARIES, OFFICE OF THE SECRETARY			
Fiscal Year 1985 Obligations	$7,067,000		
1985 Increased Pay Cost at 3.5% (for 9 months)	186,000*		
Total Obligations for Fiscal Year 1985	$7,253,000		
Fiscal Year 1986 Base Program		$7,253,000	
Increased Pay Cost for Full Fiscal Year		-0-	-0-
Savings in Salary Account		- 300,000	- 300,000
Financing:			
Less: Unobligated balance, start of period	-0-	-0-	-0-
Appropriation	$7,253,000*	$6,953,000	- 300,000
EXPENSES, OFFICE OF THE SECRETARY			
Historical Office: Books and Documents	$ 1,000	2,000	$+ 1,000
Photographic Supplies	6,500	6,500	-0-
Library: Online Information Services	44,200	49,000	+ 4,800
Microform Publications	22,000	20,000	- 2,000
Books, Subscriptions, Standing Orders	32,000	32,000	-0-
Office of Classified National Security Information: Maintenance contract for alarm system	4,000	4,000	-0-
Travel (Public Law 94-59)	12,000	12,000	-0-
Registration Fees	2,000	2,000	-0-
Substitute Reporters and Transcribers (Public Law 89-90)	20,000	20,000	-0-
Office of Public Records (Public Law 92-342)	25,000	25,000	-0-
Consultants (not more than two) (Public Law 95-26)	46,500	46,500	-0-
Legal Reference Volumes and Dictionaries (Senators' Offices) (Public Law 92-51)	65,000	65,000	-0-
Contractual Legal and Administrative Services and Miscellaneous Expenses	60,500	60,500	-0-
Disbursing Office: Payroll Forms, Notary Fees and Supplies, Insurance	18,300	30,300	+12,000
Orientation and Training (Public Law 95-94)	2,000	2,000	-0-
Newspapers	25,000	30,000	+ 5,000
Senate Service Awards (Senate Resolution 21, Sept. 10, 1965)	18,000	18,000	-0-
Postage	7,000	7,000	-0-
Education of Senate Pages (Public Law 98-51, as amended and S. Res. 184, July 29, 1983 and P.L. 98-125)	250,000	200,000	-50,000
Stationery	27,000	29,000	+ 2,000
Commission on Art and Antiquities (S. Res. 382, 90th Congress)	23,000	23,000	-0-
Total Obligations	$ 711,000	683,800	$ - 27,200
Financing:			
Less: Unobligated balance, start of period	-0-	-0-	-0-
Appropriation	$ 711,000	$ 683,800	$ - 27,200
SUMMARY OF APPROPRIATIONS REQUESTED			
Salaries (salaries, officers, and employees)	$ 7,253,000	$6,953,000	$-300,000
Expenses	711,000	683,800	- 27,200
Total Obligations	$ 7,964,000	$7,636,800	$ -327,200
Total Financing			
Less Unobligated balance, start of period	-0-	-0-	-0-
TOTAL APPROPRIATION	$ 7,964,000	$7,636,800	$ -327,200

*Rounded

BEST COPY AVAILABLE

The appropriation for microform publications has dropped by approximately 9 percent, resulting in a $2,000 budget reduction. This decrease is partially due to fewer major anticipated purchases and partly due to increased use of online services which provide access to the same information.

SUMMARY OF INCREASES

Increases are necessary in five categories of expenses in the Secretary's Office:

- The greatest increase, an additional $12,000 is requested for expenses in the Disbursing Office necessitated by the new check advices which the Payroll System will be implementing in the near future.
- An increase of $5,000 for newspapers provided for Senators is necessitated by an accounting error which has been carried in the budget for the last two years. While there has been a shortfall of $10,000 per year in this category, we believe that through a careful review of the office's provision of newspapers, we will be able to reduce this line item and we therefore request a $5,000 as opposed to a $10,000 increase.
- An additional $4,800 for online information services is requested for the Senate Library. Utilization of these services rose 61 percent in 1984. This increase corresponds to current and projected use.
- An increase of $2,000 is requested for stationery expenses for all of the offices of the Secretary of the Senate.
- An additional $1,000 is requested for the Senate Historical Office's book budget. Their annual budget was cut voluntarily in 1982 from $2,000 to $1,000. They have recently begun several projects that require quick access to standard reference books. In addition, the Senate Library draws on the Historian's collection to supplement its own. Thus, the money invested in the Historical Office serves the needs of that office as well as the wider Senate community.

COMPUTER POLICY

Last year's testimony from this office noted the need to develop a centralized computer network for this institution. I believe that no one better than individual Senators recognize the value in becoming participants and not merely observers of the technological revolution. To demonstrate my commitment to utilizing new computer techniques in the most comprehensive fashion possible within the Office of the Secretary, I have devoted resources in my office to coordinating our computer usage. I have hired a computer expert who will devote the appropriate time to this task.

Our office anticipates that in the near future, Senate offices may wish to transmit information from their systems to our administrative offices. Direct transmission of personnel actions online to the Disbursing Office, or sending a stationery order directly to the Stationery Room.

Status of Computer Usage Within the Offices of the Secretary

The Disbursing Office is in the process of implementing a new Payroll and Personnel System. This system is scheduled for completion in April 1986. We are currently examining the voucher and accounting functions of the Disbursing Office with the intention of automating these functions in the very near future.

The Stationery Room has been using a self-contained system for over six years. Because of the steady increase of sales in this office, we are considering increasing this system's capability to accommodate the work flow for the office.

The Historical Office is in the process of updating the Biographical Directory of the American Congress. For the first time, we are planning to automate this publication to ensure that future additions to the Directory can be incorporated in a timely manner.

This office continues to collect legislative information as a result of floor action, and is responsible for entering this information into a number of the Senate's legislative retrieval reports and the LEGIS system.

The Parliamentarians are successfully using a GRID portable computer in the Senate Chamber. They use computers to access the LEGIS system in order to review past referrals for consistency in future referrals.

In addition to these projects, our offices use computers to monitor and update the paper allocations for Senate offices. We also computerize registration of lobbyists, financial disclosure statements, and campaign reports. For the first time, the Executive Clerk is printing the Executive Journal completely from the computer screens used to collect the information throughout the session.

ORIENTATION FOR NEW SENATORS

An Orientation for newly-elected Senators was held on November 26 and 27, 1984. This program was sponsored by the joint leadership with the assistance of personnel in my office and the Sergeant at Arms' office. All seven Senators-elect attended and were accompanied by one to three staff members.

To assist the new Members during the program and in the early months of their first term, the Congressional Handbook was provided. This document is a result of the combined efforts of staffs from the offices of the Secretary, the Sergeant at Arms, Rules Committee, and the Architect of the Capitol. Under the direction of the Secretary of the Senate, the Handbook was automated this past year which has resulted in a reduction in printing costs.

The Orientation sessions dealt with the administration and financial management of a Senatorial office. Among the program participants were three incumbent Senators who spoke on such topics as ethics, office administration and organization, and challenges of the first two years.

Every session was well attended and well received, and the new Senators commented favorably on the Orientation's value and importance in assisting them in organizing their offices.

SEMINARS

Our office, along with the Sergeant at Arms, arranged 35 seminars in 1984. These seminars covered such topics as the legislative process, Federal election laws, Senate ethics, the budget process, social security, effective utilization of interns, and services of the Senate Library. Workshops were held for receptionists and discussions organized for personal secretaries.

Most of these programs were open to all Senate staff, and announcements were sent to all offices. The seminars were usually scheduled for 90 minutes and included a lecture and time for questions and answers. Participants were asked to critique the content of the programs so our offices could evaluate their effectiveness. Approximately 1,200 Senate staff, representing over 90 percent of the Senate offices, participated and the reviews were very favorable.

In addition, we cosponsored with the Library of Congress and the House of Representatives four Capitol Hill Information Seminars and five District/State

Staff Institutes held in Washington. Approximately 135 Senate staff representing over 50 Senate offices participated in these programs.

We have already established the schedule for our seminars for calendar year 1985 and intend to continue the programs which staff rated highly.

MANAGEMENT BOARD

In May of 1978 an informal Senate management group was formed to receive recommendations for coordinating some of the administrative problems highlighted by the Commission on the Operation of the Senate. The Senate Management Board, still in operation today, is composed of the Secretary, Sergeant at Arms, Secretary for the Majority, Secretary for the Minority, Architect of the Capitol, Staff Director of the Committee on Rules and Administration, and Staff Director of the Committee on Appropriations.

In reviewing the 1984 Management Board minutes, I found that the discussions largely revolved around the Senate Page School. Discussions ensued as to the findings of a comprehensive study of the school performed by management consultants, Cresap, McCormick and Paget on behalf of the Secretary and the Sergeant at Arms. The report offers observations and recommendations pertaining to the school's governance, academic program, and administration.

In addition to discussions about the Page School, topics such as the renovation of the West Front of the Capitol, security measures, coordination of Senate and House computer policy and Workers' Compensation, were considered.

CURATOR OF ART AND ANTIQUITIES

Background

The office of the Senate Curator was established in 1968 to implement the policies of the U. S. Senate Commission on Art and Antiquities. Its responsibilities are closely related to the museum programs of the Senate wing of the Capitol and the Senate office buildings. The Curator and staff suggest acquisitions, provide appropriate exhibits, engage in research, and write and edit publications. In addition, the office studies, identifies, arranges, protects, and preserves the records of the historical collections of the Senate, including paintings, sculpture and furnishings, and exercises supervisory responsibility for those chambers in the Capitol under the jurisdiction of the Commission on Art and Antiquities.

Major Activities

Following the November 1983 Capitol bombing, public access to rooms and corridors adjacent to the Senate Chamber was modified, thereby increasing the number of visitors to other areas of the building, including the Old Senate and Old Supreme Court Chambers. To complement this ever-growing interest, new exhibits were developed which drew from the rich heritage of these 19th century meetingplaces.

"Faces From the Golden Age," a collection of cartes-de-visite or portrait calling cards, featuring Senators from the 1850's and 1860's, was installed in the Old Senate Chamber. Included in the presentation of this newly-acquired collection was the original seating plan for the Senate Chamber of 1850.

The Senate wing as setting for a significant chapter in the story of our nation's judicial system was the focus of the exhibit, "The Supreme Court Chamber, 1810-1860." This display was comprised of documents, drawings and portraits from the Marshall and Taney periods, and was located in the Crypt, adjacent to the Old Supreme Court Chamber.

While the installation of permanent and temporary exhibitions goes forward, the curatorial staff, assisted by a corps of dedicated college interns, has been engaged in research on future exhibits appropriate to the programs of the Commission on Art and Antiquities. These have included subjects recommended by the Study Group on the Commemoration of the U. S. Senate Bicentenary, as well as topics suggested by Members and staff.

The publications produced or reissued during the past calendar year included monographs developed in conjunction with the exhibits program and studies of the historic rooms of the Senate. The Commission on Art and Antiquities was authorized to proceed with the fourth edition of guides to the Old Senate and Old Supreme Court Chambers, which will be published in the spring of 1985. An illustrated history of the Vice President's Room was issued in recent months, and the popular exhibition brochure, "Apropos of Snuff," was reprinted.

The collections of the Senate supervised by the Commission on Art and Antiquities were enhanced by the addition of several notable acquisitions. Two oil paintings received during the year are of particular significance. A portrait of Joseph Gales, editor of the National Intelligencer and publisher of the Congressional Globe, was purchased by Commission from the subject's family. The study was painted by the celebrated American artist George P. A. Healy, who painted Gales in the Old Senate Chamber, commemorating the editor's role as official reporter of the landmark Webster-Hayne debate. Another important link to the artistic heritage preserved in the Senate was the acquisition of Constantino Brumidi's finished oil sketch for the mural, "America Welcoming Europe..." The well-documented study honored the laying of the transatlantic cable, and served as the basis of the lunette entitled, "Telegraph," which Brumidi painted as part of his ceiling fresco in room S-211 (Lyndon B. Johnson Room).

The collection of 19th century wood engravings, most of which first appeared in the popular press, was increased by nearly 50 examples. These included interior views of the Capitol and representational and caricatural portraits of Senators. In addition, 10 photographic portraits (cartes-de-visite) of Senators serving during the 1850's and 1860's were acquired for the exhibit, "Faces From the Golden Age."

The continuing study of former employee Isaac Bassett, whose service in the Senate Chamber spanned the period 1831-1896, received support from the subject's descendants in recent months. The long-term loan to the Senate of several objects associated with Bassett's distinguished career include a snuff box and walking stick, presented to him by the Members, and a scrap book filled with accounts chronicling life in the Senate over nearly seven decades.

In May 1984, oil portraits of Senators Webster, Clay, Calhoun, Sumner and Allison were rehung in the east-west corridor on the second floor of the Senate wing. These works had sustained considerable damage six months earlier in the 1983 bomb explosion. The return of these paintings to the Senate received wide attention from Members, staff and media, and elicited high regard for the quality of restoration work. Among the other works receiving conservation treatment during the past year were the oil portraits of Joseph Gales and Pocahontas, and the historical genre series painted by John Blake White. Through the cooperation of the Senate Cabinet Shop, four pieces of 19th century Supreme Court furniture were restored to their original condition.

This office's other programs of the past year have been as wide-ranging as they have been challenging. The Commission on Art and Antiquities hosted several special functions in the Old Senate and Old Supreme Court Chambers, among which was a presentation by President Reagan. Responsibility for the registration and placement of foreign gifts received by Senators and Senate employees continues to be discharged by the Commission and Executive Secretary. The staff met frequently with museum personnel from the Washington area and throughout the country and participated in seminars, workshops and conferences organized by the profession. Of special interest was the annual meeting of the Association of American Museums, which convened in Washington last June.

HISTORICAL OFFICE

The Senate Historical Office collects and provides information on important events, dates, statistics, precedents, and historical comparisons of current and past activities of the Senate for use by Members' offices, the press, scholars, and the general public. A staff of six advises Senators and committees on cost-effective disposition of their non-current office files, assists researchers seeking access to Senate records, and maintains a register of locations of former Members' papers. The office edits for publication, executive session transcripts of the Senate Foreign Relations Committee, conducts oral history interviews with retired senior Senate staff, and maintains extensive biographical information on all who have served in the Senate. The Photo Historian provides coverage of current Senate activities of potential historical significance and collects, for Senate and public use, older photographs illustrative of the Senate and its 1,660 former Members.

Biographical Directory of the American Congress

The Senate Bicentennial Study Group, in its 1982 report, strongly recommended that the Senate prepare a biographical directory of all Members serving in the first one hundred Congresses (1789-1988). During the past fiscal year, the Historical Office has worked on this project in close cooperation with the Office for the Bicentennial of the House of Representatives. The specific objective of both offices is to prepare a revised and expanded edition of the Biographical Directory of the American Congress, 1774-1971 (1972).

By the end of fiscal year 1984, the Government Printing Office had let a contract to Maximus, Inc. to provide for computer-based optical scanning of the 1972 directory. The machine readable data for Senators will be transferred to the Senate Computer Center where the Historical Office will have access to begin editorial work. During 1984, with the assistance of summer interns, the office completed biographical data forms for 1,100 of the 1,660 former Senators. This data will serve as the basis for the updating project scheduled to begin early in 1985.

Senate Foreign Relations Committee Historical Series

The Associate Historian has continued editing the previously closed and classified hearings of the Senate Foreign Relations Committee. Volume XIII, part 1, covering January-May 1961, was published in April 1984. This volume dealt largely with the Bay of Pigs invasion, and drew prominent press attention, particularly in the Washington Post. Part 2, covering June-December, has been completed and is in page proofs, but has been delayed in its declassification. Publication is expected before the end of the year. Volume XIV, hearings for 1962, is well underway, and will be sent to press as soon as the previous volume is released. This series has drawn increasingly favorable notice from scholars of American foreign policy.

Guide to Former Senators' Papers

The Guide to Research Collections of Former United States Senators, 1789-1982, published in June 1983, received favorable reviews in the library, archival, and scholarly journals during the past year. The Guide proved extremely popular with the scholars and researchers it was designed to serve and approximately 600 additional copies had been requested by the end of the year.

Oral History

In its continuing series of interviews with retired Senate staff members, the Historical Office completed interviews with Carl M. Marcy and Francis O. Wilcox, former chiefs of staff of the Senate Foreign Relations Committee, 1947-1973; with J. Franklin Little, who served as a Senate page from 1910-1912; and with Inspector Leonard Ballard, who served on the Capitol Police Force from 1947 to 1984. The interview with Stewart McClure, completed in 1983, has now been bound and distributed. An interview with William

Ridgely, former Senate disbursing officer, has been completed and edited and is awaiting final typing.

The first ten interviews in this series have been deposited in the Senate Library, Library of Congress, and National Archives, as well as with the papers of Senators for whom the staff members worked. In addition, Scholarly Resources, Inc. of Wilmington, Delaware, will shortly be releasing these interviews in microfilm edition for the widest possible dissemination.

The office has a number of candidates for future interviews including the former Secretaries of the Senate. The acquisition of a new word processing terminal will also facilitate the transcribing of the interviews, and increase the project's production speed.

Committee Records Management and Disposition Assistance

The Archivist assisted Senate committees with records management and disposition by providing staff seminars, files surveys, and individualized consultations.

In addition, the Archivist compiled a new comprehensive reference manual, "Senators' Office Files Maintenance and Disposition Handbook," with assistance from the Senate Computer Center on a chapter dealing with disposition of automated records. The work is now in final draft and will be available to Senators early in the 99th Congress.

Catalog and Index of Unprinted Hearings

Last year Historical Office staff and personnel from the Congressional Information Service inventoried nearly 10,000 unprinted hearings of Senate committees among committee records at the National Archives. This year the information was entered into a computer and committee-by-Congress lists were prepared for the Historical Office. Individual lists were sent to each committee. Additional hearings were located in the custody of several committees, and this new information was entered into the main database. The forthcoming catalog will serve as a useful finding aid to a previously overlooked portion of the Senate's historical collection at the National Archives.

Bibliography of Works By and About Senators

The Historical Office work began in the spring on a comprehensive project to search for and computerize all significant articles, books, and dissertations written by and about former Senators. The project, will enable office staff to respond to frequent requests for citations to the entire body of significant printed material relating to a specific Senator. This bibliographic data will also appear in the expanded edition of the *Biographical Directory*.

Harry S. Truman Centennial Commemoration

At the request of the committee planning a joint meeting of Congress to commemorate Harry Truman's 100th birthday, the Historical Office prepared a 16-page illustrated program brochure. The text and photographs focused on Truman's Senate career and his transition to the Presidency.

SENATE LIBRARY

Information Services

Dispensing information on the status of legislation continues to be the Senate Library's most requested service. The LEGIS unit, which has a staff of five people, responded to an all-time record of almost 99,000 requests from Senate offices.

The reference staff frequently provided a quick reference service to the Senate floor, while also responding to over 13,000 requests from Senate offices for news stories, biographical information, statistics, reports, books and other data.

Technical Services

To facilitate the provision of this information to Senate offices, the technical support staff added approximately 9,300 books, documents, hearings and committee prints to the collection and 7,800 bibliographic records to the Senate Library Computerized Catalog (SLCC), a database which will be released to all Senate offices as a file of LEGIS by the start of the Ninety-ninth Congress.

LEGIS Service

The terminal operators in the LEGIS unit handled a record-breaking number of inquiries on pending legislation. This was achieved despite the fact that there are now 2,200 terminals available in Senate offices and more Senate staff members than ever before are trained to do their own searching. The following table charts the usage of the LEGIS service over the last ten years.

Fiscal Year	Congress/ Session	Number of Inquiries	Percentage of Change From Previous Year	Percentage of Change From Same Session of Previous Congress
1975	94/1	26,100	--	--
1976	94/2	32,564	--	--
1977	95/1	38,893	+19%	--
1978	95/2	56,358	+45%	+73%
1979	96/1	46,635	-17%	+20%
1980	96/2	79,072	+70%	+40%
1981	97/1	61,643	-22%	+32%
1982	97/2	89,860	+46%	+14%
1983	98/1	77,352	-14%	+25%
1984	98/2	98,845	+28%	+10%

Reference Service

As demonstrated by the table below, the number of requests to which the reference librarians have responded has remained rather constant for the last five years.

Fiscal Year	Congress/ Session	Number of Inquiries	Percentage of Change From Previous Year	Percentage of Change From Same Session of Previous Congress
1976	94/2	2,250	--	--
1977	95/1	6,650	--	--
1978	95/2	7,845	+18%	--
1979	96/1	9,206	+17%	+38%
1980	96/2	12,644	+37%	+61%
1981	97/1	12,227	- 3%	+33%
1982	97/2	13,442	+10%	+ 6%
1983	98/1	12,102	-10%	- 1%
1984	98/2	13,172	+ 9%	- 2%

The number of searches done on NEXIS/LEXIS and other commercial data bases rose 61 percent this year over last year. Because we are increasingly using computer systems to print the full text of newspaper and magazine articles, use of the Micrographics Center this year decreased 24 percent from last year.

The Library's collection of government documents was enhanced by the selection of 88 additional categories of publications to be received through the government depository system. These selections follow the first comprehensive review of this collection since we became a depository library in 1979.

Senate Library Computerized Catalog (SLCC)

In last year's annual report we noted that the bibliographic records of 30 percent of the books in our classified collection had been entered into

SLCC; continued effort has increased that figure to about 90 percent. The remainder are books for which we will have to create original cataloging records. Last year the records of 90 percent of the government documents collection had been entered into SLCC; all of these records are now included. In addition, we are up-to-date in entering the records of congressional committee hearings and committee prints published in the 98th Congress, and we have entered the records for approximately one-third of the hearings and prints of the 97th Congress.

We believe that the online catalog is now sufficiently developed that it can be released as a file of LEGIS for Senate-wide use. To this end, the Senate Computer Center began in September to write the documentation for the system. We anticipate that the file will be made available to all Senate offices in the near future.

Publications

The Seventh Supplement of the Index to Congressional Committee Hearings was published early in the year. This supplement was the last that the Library will publish, since hearings will now be retrieved by means of the online catalog.

Data was compiled for a supplement to Presidential Vetoes for the period from 1976 through 1984, which is about to be released.

OFFICE OF PUBLIC RECORDS

The Office of Public Records receives, processes, and maintains records, reports and other documents filed with the Secretary of the Senate involving the following activities:

> Federal Election Campaign Act, as amended (relating to Senate candidate and political committees solely supporting Senate candidates).
>
> Federal Regulation of Lobbying Act.
>
> The Senate Code of Official Conduct: Rule 34--Public Financial Disclosure; Rule 40--Registration of Mass Mailings; Rule 41--Political Fund Designees; and Rule 41(6) Supervisors' Report on Individuals Who Perform Senate Services.
>
> Foreign Travel Expenditure Reports.

Additionally, the office provides for the review, inspection and reproduction of these documents.

An election year generates increased public activity which was even more pronounced in 1984 due to the relocation of the office to the Hart Building. During the period covered by this report, in excess of 2,300 individuals were personally served and more than 75,000 copies of the reports made available by the office were sold.

Senate Rule 34, Public Financial Disclosure

The 1984 filing date for the Public Financial Disclosure Reports was May 15. On Friday, May 18, 1984, these reports were released to the press and public. Copies were provided to the Select Committee on Ethics and appropriate State officials on that same day. Some 845 reports had been filed containing more than 9,600 pages. Ninety advance requests for full or substantial sets were received, including 35 requests for copies of all Senators' reports.

Federal Regulation of Lobbying Act

Currently there are 7,700 lobbyists registered and reporting to the Public Records Office. In terms of reports processed, this is the largest activity handled by Public Records. These quarterly reports are received, processed and made available for public inspection and copying.

Federal Election Campaign Act, as Amended

The 1984 election cycle, covering the period from January 1, 1983 through October 31, 1984, involved the submission of 6,000 reports containing in excess of 115,000 pages.

Registration of Mass Mailing and Foreign Mail

There has been no change in the manner in which these reports are processed. All policies and procedures relating to these activities are slated for a thorough review during the next year. The results of this review, and recommendations, will be detailed in next year's statement.

FEDERAL ELECTION COMMISSION

Meetings

The Commission conducts most of its activities through regularly scheduled meetings, both in executive session and open sessions. Executive sessions mainly focus on resolving compliance, audits and the internal workings of the Commission such as personnel matters. In 1984, 43 executive sessions were held.

Other matters such as requests for advisory opinions are considered in open session. There were 44 open sessions in 1984. Seven special sessions were held in 1984, all concerning compliance.

The Commission also held a hearing on possible changes to its regulations relating to the role of cooperatives in the federal election process.

Advisory Opinions

The Commission has the authority to respond to requests for advisory opinions in order to supplement the statute and Commission regulations. These opinions can be requested by any interested party. In 1984 the Commission received 63 requests for advisory opinions. Five of these were withdrawn by the requesters. The Commission considered and issued 59 advisory opinions. Eight of these were requested in 1983. The Commission still has five advisory opinions pending. Generally, the law requires the Commission to issue advisory opinions 60 days from the receipt of a request.

Presidential Audits

Under the Federal Election Campaign Act (2 U.S.C. 438(b)), the Commission is authorized to audit non-presidential campaign committees which had met the Commission's internal audit thresholds. The Commission is mandated to audit publicly financed Presidential campaign committees under Title 26 of the U.S. Code. In that regard, the Commission has completed primary audits of two Presidential campaign committees and the Commission is actively auditing nine other primary committees. The campaign committees of both Presidential candidates in the general election are also being audited.

Eleven Presidential candidates qualified for matching funds.

Congressional Oversight

The Commission made four formal appearances before various committees of the Congress in 1984. These included the Appropriations Committees of the House and Senate as well as appearances before the House Administration Committee and Senate Rules Committee, the oversight committees for the Federal Election Commission.

Matters Under Review

The Commission reviews compliance with the election law through a procedure known as "Matter Under Review" (MUR). Through that procedure the Commission ultimately decides whether there is a "Probable Cause to Believe" that a violation has occurred and, if so, enter into conciliation with the alleged violator attempting to arrive at voluntary compliance with the FECA. Compliance matters can be generated through internal Commission procedures or through outside complaints. In 1984, the Commission opened 230 MUR's and closed the files on 117, many of which were cases from previous years.

STATIONERY ROOM

Background

As purchasing agent for the United States Senate's stationery supplies, the Stationery Room must maintain an adequate inventory at all times to meet the demands of Senatorial offices. These specific responsibilities include: (1) preparing the Schedule of Stationery annually--this schedule contains those items that are contracted for in a fiscal year for the use of the Senate; (2) referral of requests for items not presently carried in stock to the Assistant Secretary and the Rules Committee, which will approve or disapprove the request; (3) purchasing through GSA whenever an item is offered by GSA is of a quality that will satisfy the needs of the Senate; and (4) purchasing directly or through the Schedule of Stationery, items offered by GSA that do not meet the quality requirements of the Senate.

Major Activities

The Senate Stationery Room completed fiscal year 1984 with gross sales of $2,743,876, an increase of $331,987 over fiscal year 1983. During 1984, 88,184 cash and charge sales tickets were issued to Stationery Room clientele, an increase of 5 percent over last year's tickets.

As stated in last year's report, the weak link in the sales operation was the apparatus used to read the bar codes on products. Delays resulted from incessant malfunctioning of the readers. After careful consideration, the Stationery Room purchased two laser readers. The lasers were delivered and operational in December, and improved productivity by an estimated 70 percent.

Additional Inventory Items

In response to requests by the Senate Sergeant at Arms, Computer Center and Rules Committee, the Stationery Room took over office automation supplies in December. Supplies include printer ribbons, print wheels and thimbles, plotter supplies, anti-glare screens, tape racks and continuous form paper for spread sheets.

Several items were added to the inventory last year including a pictorial history of the Senate and a quality line of picture frames. This year we intend to canvass each Senate office to determine whether the Stationery Room could improve upon its present inventory. A questionnaire will be sent in June to Senate office managers to determine what changes, if any, need to be made in fiscal year 1986.

OFFICE OF INTERPARLIAMENTARY SERVICES

The Office of Interparliamentary Services (IPS) will complete its third year of operation in December 1984. The administration of interparliamentary conferences and special study missions constitutes the major projects of this office.

As the Office of IPS has become better known as a service office of the Secretary of the Senate, the work load has increased accordingly. We have responded to requests for assistance from Senators and staff members throughout the Senate in four primary areas: (1) regulations governing authorization for international travel; (2) financial accounting for international travel; (3) passports and visas; and (4) airline reservations and hotel accommodations.

In addition, we continue to handle all aspects of individual international travel arrangements for Senators and for staff authorized by either the Majority or Minority Leaders.

Reporting expenditures for foreign travel to the Office of Public Records continues to be one of our most important responsibilities. In our third year of operation, we have received excellent cooperation from the committee chairmen in meeting the quarterly filing deadlines for consolidated reports. In part because of assistance from this office, the reporting requirements are being met a larger percentage of the time than in previous years.

The Director of IPS continued work on preparations for the 1985 fall meeting of the North Atlantic Assembly which will be held in San Francisco, California, October 10-15. A special appropriation of $425,000 for this conference was passed, and the administration of this meeting (700 people are expected) will be an additional responsibility.

OFFICE OF CLASSIFIED NATIONAL SECURITY INFORMATION

The Office of Classified National Security Information provides a secure facility for hearings of committees of the Senate at which highly classified information is to be presented. In this connection during fiscal year 1984, there were a total of 161 classified hearings and meetings (64 hearings and 97 meetings) held in the secure hearing facility. The Senate Committees on Appropriations, Armed Services, Banking, Housing and Urban Affairs, Energy and Natural Resources, Foreign Relations, Judiciary, and the Select Committee on Intelligence utilized this facility. This represents a 35 percent increase in the utilization of the leadership room (S-407) from the previous year.

In addition to being used for hearings and briefings conducted in normal support of the committees, S-407 was used for briefings for all Senators called by the leadership on ten occasions during fiscal year 1984. Two meetings of the entire Senate were of particular significance: (1) the briefing of all Senators by Secretary Shultz on the terrorist bombing of the Marine base at the Beirut International Airport (attended by 75 Senators); and (2) the briefing by Secretary Shultz and Secretary Weinberger on the rescue of the American students in Grenada (attended by 73 Senators).

This office also provides and operates a central repository for the safeguarding of classified information. For example, on February 1 and June 12, 1984, the Senate went into closed session. Under special handling procedures, the classified stenographic notes of those sessions were transcribed in the National Security Office and have been retained in the secure vault together with the records of earlier closed sessions of the Senate.

As required, this office provides support to the leadership on various classified matters including, but not limited to, NATO, SALT, START and other military/intelligence matters. The Director of this office accompanied the Majority Leader on a visit to South America to discuss, among other things, nonproliferation policies in Brazil and Argentina. The Director also served as an official observer to the May 1984 elections in El Salvador and subsequently visited certain military installations in Honduras.

This office is a liaison on sensitive classified matters with the Central Intelligence Agency, Department of Defense, Department of State, Department of

Energy, and the National Security Agency. This office also serves as a focal point for the receipt of classified Messages, Communications, and Petitions from the Executive Branch to the President of the Senate which, following appropriate designation by the Parliamentarian, are transmitted by secure means to committees designated to receive such classified material.

DOCUMENT ROOM

Background

The Document Room's principal functions are: (1) to maintain an adequate supply of Senate documents and legislative publications to Senate offices; (2) to respond to requests for Senate documents received from Senate offices, executive agencies and the public; (3) to coordinate with Senate offices and GPO the requirements for printed material in excess of the standing order and to prioritize the printing requests; (4) to compile personal files of bills, sponsored or cosponsored by each Senator for periodic distribution to Senators; (5) to prepare House and Senate documents for binding; and (6) to deliver requested materials to Senate offices.

Major Activities

The Document Room completed its second year of operation in the Phil Hart Building. The first year was one of trial and error while learning the most efficient means of utilizing new shelving. Last year reaped the benefits which custom built and automated shelving have to offer. At the end of 1983, it had become evident that an additional row of sorting modules for Public Law size documents were needed to store the reports and laws of two Congresses in areas of immediate access. These modules were ordered in September and installed in November.

The work load parallels that of the last Congress. Approximately the same number of Senate bills and slightly fewer House bills were introduced. We do not anticipate any major changes in the work load for fiscal year 1986.

LEGISLATIVE DEPARTMENTS

The yearly activities of our legislative departments have continued to operate smoothly. Ever dependent upon technological advances, all departments have been requested to computerize their informational systems so as to provide easy access to every Senate office. We believe that this access is in keeping with our desire to promote wider usage of existing computer systems.

LEGISLATIVE CLERK

Virtually no significant operational changes have transpired in the Legislative Clerk's functions during 1984. The legislative work load (ending September 30, 1984) for the year has increased slightly. Some representative statistics relating to certain functions of the office are as follows:

	97th Congress		98th Congress	
	Jan.-Oct. 1st Session	Jan.-Oct. 2nd Session	Jan.-Oct. 1st Session	Jan.-Oct. 2nd Session
Measures Passed:	365	440	339	529
Measures Reported	400	503	435	557
Quorum Calls	9	46	15	17
Rollcall Votes	345	383	278	257

The new procedure of printing amendments only in the Congressional Record is working smoothly.

There have been no new changes during 1984 in the format of the Senate Calendar of Business. The Calendar, with the cross-index pages, and the section that shows measures "held at the Desk," continues to be a useful tool in helping the Senate leadership and others chart various legislation on the Senate floor.

In May the Senate Calendar of Business was added to the Senate's LEGIS system and made available to all LEGIS users. The system appears to be working well.

PARLIAMENTARIAN

The Parliamentarian's office in 1984 experienced the following significant events:

Senate Procedure

The office completed the process of preparing a supplement to the volume of Senate Procedure which contains those precedents which occurred since June 1980 and covers the important area of the Congressional Budget process as it has grown since 1980. This is recommended reading for all Senate staff with no prior legislative experience.

Computerized Desk

Last year, the Parliamentarians received approval to install a small, portable computer and printer in the Senate Chamber. The Parliamentarians have access to a computer system and track legislative referrals that they made in the past to ensure that any current referrals are consistent with what was done historically. The computer is a GRiD portable, which is located in a desk drawer by the Parliamentarian's seat. The Parliamentarians are pleased with the computer thus far, as use it fairly regularly while on the floor.

Word Processing Equipment

The Parliamentarian's office now has the capability of producing, through the use of a newly installed word processing machine, bills, joint resolutions, concurrent resolutions, simple resolutions and amendments in a format similar to that of the Office of Legislative Counsel, primarily for the convenience of the Senate leadership.

In addition to these new duties and innovations, the office continued its primary responsibilities of advising the Chair, advising Senators and staff, either in person or by phone, referring all introduced Senate bills and resolutions, as well as House bills and resolutions which have been messaged to the Senate. Moreover, the precedents of the Senate continue to be entered in the computer file which has proved to be helpful to a number of Senators over this past year.

BILL CLERK

During the 98th Congress, the three Clerks in the office of the Bill Clerk maintained the Senate's official records on nearly 12,000 pieces of legislation. This number included all Senate bills and resolutions, all House-passed measures which reached the Senate, and all amendments proposed in the Senate. The Bill Clerks' processing of this material is threefold. First, once the official papers are received from the Journal on the Senate floor, the information they contain is transcribed into the Senate's official ledger. Secondly, the information is keyed into the LEGIS computer system (and is thereby available to all Senate offices), and lastly, the papers themselves are marked-up and sent to GPO for printing.

When the legislation is reported out of committee, this three-part process repeats itself, and when a measure is brought up on the floor, it is the responsibility of the Bill Clerks to record highlights of its passage through the amending process. Amendments are charted in a ledger and again into the computer system.

Over 7,100 amendments were submitted during the 98th Congress, and nearly 2,100 received full floor consideration. Since several computer transactions are involved in recording the disposition of a single amendment, this process makes up a significant portion of the work load in the Bill Clerk's office. Of considerable help in this regard was the Senate's decision in early 1983 to instruct this office to stop preparing amendments for printing by GPO outside the Congressional Record. In addition to the cost savings involved, the savings in time have been significant.

Finally, when rollcall votes are taken on the floor, a copy of the tally sheet is delivered by page to the Bill Clerks and each Senator's vote is keyed into the computer system. This process is completed usually in less than five minutes, and the information is online, available immediately to Senate offices via a LEGIS report. Modifications to the vote tally system were implemented in April to provide room for more information requested by the party Policy Committees. These modifications and others continue to show that this computer system is a very fluid one, changing sometimes daily in an ongoing effort to make this system more reliable and more accessible to Senate offices.

Legislation continues to be tracked by the Bill Clerks through the conference process, and included in the Clerks' duties is the delivery of the official conference papers to the committee of jurisdiction. Once again, the procedural history of the legislation is documented at each step in the Senate's ledgers and in the LEGIS system until, if applicable, a public law number is assigned by the General Services Administration.

JOURNAL CLERK

This past year has seen little change in the preparation of the Journal. The changes in procedures made in previous years have proved helpful in the daily routine of recording the minutes of the Senate proceedings and processing the same for printing.

One minor improvement has been the further subdivision of the minute book, so as to include a section of "H" numbered pages, containing messages from the House of Representatives, the referral or other disposition of House measures, the signing of enrolled bills and joint resolutions in the Senate, and the presentation of enrolled Senate bills and joint resolutions. This separate set of pages enables the Journal Clerks to quickly determine the status of recently received House measures and enrolled bills and joint resolutions.

The Journal has continued to furnish the Majority Leader with statistics on major measures, statistics on rollcall votes, and a copy of the "daily schedule" which the Journal Clerks keep at the rostrum. The staffs of the two Cloakrooms are also furnished with copies of the schedule, and the staff of the Daily Digest is furnished, throughout the day, with photostats of the minute book pages for its information.

The useful exchange of information between the Journal and certain other departments in the Secretary's Office has been maintained by means of the telephone tie lines from the rostrum to the Morning Business Editor, the Bill Clerk, and the Enrolling Clerk; and by the use of a regular telephone extension to call other Senate offices.

ENROLLING CLERK

All engrossed bills, enrolled bills, and resolutions were prepared, printed, corrected, and transmitted to the House of Representatives and/or the President within the constraints dictated by the Congress and the legislation itself.

During 1984, 190 enrolled bills were prepared, printed, proofread, and corrected and transmitted to the President. Also, 864 other pieces of legislation, in one form or another, were enacted by the Senate, each one requiring input from this office. Most had to have copy preparation for the Government Printing Office, be printed and read, and be transmitted to the House of Representatives. One hundred and seventy-three pieces of legislation had to be assembled by this office and "hand engrossed" (which entails typing and piecing together a true and accurate copy by hand immediately upon passage by the Senate) so it can be transmitted to the House of Representatives immediately.

The Code-a-Phone and direct telephone lines from the Senate Chamber are still in use, which helps increase the efficiency of the Enrolling Clerk's office and provides a greater service to the Senate.

Cooperation between this office and other support services for the Senate floor is excellent.

OFFICE OF PRINTING SERVICES

For the second consecutive year, the leadership has never had to postpone the consideration of legislation due to the unavailability of a bill or report. Since this function has the highest priority in this office, I would like to put it into perspective due to the amount of printing and scheduling the function involves.

Document Tracking System

This is the first Congress for which figures are available from the Document Tracking System. In fiscal year 1984, 230 Committee Prints, 34 Senate Documents, 22 Miscellaneous Publications, and 1,003 Hearings were printed. It is expected that committees will print hearings and committee prints during the last quarter of 1984 (or during the 99th Congress), and these figures will increase. Additionally, this office processed 1,370 hearings transcripts for payment to commercial reporting companies in 1984. This compares with 1,800 transcripts processed in 1983.

Mini Document Room

The mini document room successfully completed its first full Congress of operation. Calendar bills and reports were all time and date stamped accurately for purposes of the "3 Day Rule," and distributed immediately after stamping to the Secretary for the Majority, Secretary's Office, etc. The Cloakrooms made extensive use of the mini document room. Material was requested an average of ten times per day (fewer trips January to May, far more May to October), 112 copies per trip, 131 days in session, for a total of 147,000 copies distributed. Note this is far less than the number of copies received for the entire Congress. Those figures are as follows: 1,349 Calendar bills at 300 copies equals 404,700; 3,096 introduced Senate bills at 5 copies each equals 15,480; 830 introduced or referred Senate and House resolutions at 5 copies each equals 4,150; and 663 Reports at 300 copies each equals 198,900. This is a grand total of 623,230 copies. These figures can be halved for approximate figures for each session.

EXECUTIVE CLERK

The principal achievement of this office during the past year was the full implementation of the Senate Executive Journal program, developed with the Senate Computer Center. Throughout 1984, on a day-by-day basis, a file was constructed with the full text of the *Executive Journal* and an automatically generated name index to the text. As a result, within five days of the sine die adjournment of the 98th Congress, we were able to order through the Computer Center a page set of prints of the entire *Executive Journal* and a complete name index of page references. This left only a few minor supplements and indexes to be completed to have a full *Journal* and index ready for the printer, with most of these already stored in the system. The printing of the *Executive Journal*, being now completely computer generated, was practically an overnight matter, with time for publication determined by the scheduling of the bindery part of the operation at the Government Printing Office.

Also, we have been able to utilize a new general program to develop in-house mini programs to use our computer base for certain routine chores in the office. One has been a frequently updated listing of recent and live treaties by subject for use by other Secretary of the Senate offices. This gives quick access to treaty and executive report document numbers, status of each treaty and date of latest action in the Senate in each case. Another has been a day-to-day updated list of unconfirmed nominations during the last weeks of the 98th Congress, which has been of use to several offices and Senate floor personnel.

During the second session of the 98th Congress, a total of 550 nominating messages (transmitting 41,852 nominations) were sent to the Senate by the President.

Nineteen new treaties were transmitted to the Senate by the President during that session and printed as treaty documents for the use of the Senate, and the Senate completed action on 20 pending treaties which were returned to the President with resolutions of advice and consent to ratification.

Thirty-two executive reports, 11 relating to nominations and 21 relating to treaties, were ordered printed during the second session of the 98th Congress.

DAILY DIGEST

Chamber Activity

During 1984, the Senate was in session a total of 131 days, for a total of 940 hours and 28 minutes. There were 19 quorum calls and 292 yea and nay votes.

Committee Activity

Senate committees held 995 hearings and 241 business meetings, for a total of 1,236, contrasted with 1,156 hearings and 354 business meetings (total 1,510) last year.

All hearings and business meetings are scheduled through the office of the Senate Daily Digest and are published in the Congressional Record and entered in the LEGIS hearings file. Meeting outcomes are also published by the Senate Daily Digest.

The Senate Daily Digest continues to have an excellent working relationship with our many committee and subcommittee staff contacts. There have been many position changes within committee staffs and this necessitates a constant process of reviewing our requirements and procedures with them. There are 16 standing committees and 113 subcommittees, and professional courtesy and diplomacy is most important for continuity and harmony in our work with the committees.

Computer Programs

The Digest has continued making adjustments and changes in status steps, working with the Senate Computer Center. The added ability to make multiple entries for various hearings is a big improvement.

A pilot project was started last year of using ATMS for data entry for Chamber action. It has proven to be very slow and cumbersome, we are currently are reevaluating our further use of ATMS.

Last year this office implemented an online version of the Resume of Senate Congressional Activity. Currently published once a month in the Congressional Record, the Resume gives a summary of actions taken in the Senate. The online Resume will be updated more frequently than the printed version and will also include figures from previous Congresses, providing a brief history of Senate activities. Once the completed entry of data from previous Congresses and final problems with the file have been alleviated, the online Resume will be ready for release to the Senate community.

Statistics

An additional function of the Digest Office is to compile statistics relating to both committee and Chamber activity. During the year, in addition to the automation of the Resume of Senate Activity, we undertook a review of our procedures of compiling statistical information, with a view toward streamlining and possibly including additional information. Many mockups of different statistical tables and schemes for compiling statistical data were considered and we plan to continue this in the coming year.

Consideration is also being given to the various requests for information and what would be most useful for the Senate as a whole. One result of our statistical work this year is a Ten-Year Comparison of Senate Legislative Activity.

The Office of the Daily Digest is called upon from time to time to furnish various statistical information to the offices of the leadership as well as various Senators' offices. The Majority Leader's office for several years now has asked us for information to be used in the Annual Report of the Majority Leader. We are also from time to time contacted by the Senate Library and others relative to statistical information.

OFFICIAL REPORTERS OF DEBATES

Reporting Activity

All 131 days the Senate was in session were reported gavel-to-gavel by the Official Reporters. The transcript is ready for review by Senators and aides 45 to 60 minutes after a Senator has spoken in the Chamber. In addition, we reported 37 sessions of either Democratic or Republican Conferences. All Democratic Conferences are reported by our staff, and some Republican Conferences are reported. The transcript for these conferences is usually delivered within 3 to 4 hours after the conclusion of the conference.

Amendment Cross Reference

Since the discontinuance of the printing of all amendments, the text of each amendment is printed in the Morning Business Section of the Record under Amendments Submitted. When an amendment is called up in the Senate Chamber, and the amendment is quite lengthy, we follow a procedure of cross-referencing the text of the amendment to the place where it can be found in the Morning Business Section rather than to print the lengthy amendment two times in the same Record. This is a printing cost saving of thousands of dollars and expedites production of the Record at the Government Printing Office.

Summary

In summary, the legislative departments are functioning smoothly. Past years produced some major changes which, we believe, have had a beneficial impact in terms of cost cutting without diminishing the quality of service.

DISBURSING OFFICE

Effective January 1, 1984, pursuant to P. L. 98-21, all Members of the Senate, as well as approximately 10 percent of the Senate's employees became covered by the full Social Security program. Extensive computer program modifications were made, and staff were required to familiarize themselves with a majority of the Social Security programs and benefits.

Effective January 1, 1984, pursuant to P. L. 98-168, a separate set of records were established for a "modified" Civil Service Retirement System, and computer programming modifications were required to implement the system. The "modified" CRS System is the only retirement program available to Senate employees who are covered by Social Security.

Pursuant to P. L. 98-168 and P. L. 98-369, the Disbursing Office was required to provide counseling and other assistance to Members regarding the Social Security program, the Civil Service Retirement System, and the "Modified" CRS System, so that they could choose the extent of their participation in the systems. The choice of systems was available during December 1983, effective January 1, 1984, and again during August 1984, effective October 1, 1984.

An automated process was created to provide the Payroll Section with separate records for deductions for Civil Service Retirement for re-employed annuitants. As these deductions are treated differently than regular employee deductions, new procedures were established by payroll, and new procedures and manual records were set up by the Benefits Section to accumulate the moneys and reconcile the totals with the Accounting and Payroll Sections, as well as with the Office of Personnel Management.

New regulations issued by the Office of Personnel Management, effective January 1, 1984, completely revised the opportunities for Federal employees to re-enroll for various coverages under the Federal Employees' Group Life Insurance program. These regulations were incorporated in the procedures for the processing of Appointment Affidavits of persons appointed to the Senate who had prior Federal service, and also for the counseling of employees.

The Federal Employees' Health Benefits Program underwent several changes effective January 1, 1984, February 8, 1984, September 12, 1984, and October 11, 1984. Each change required the staff to analyze and implement the provisions, two of which were extensive.

As a result of the many changes in all the benefits programs, and the addition of the whole Social Security program, the benefits information included in the Appointment Affidavits, used by all Senate offices, was required to be almost totally rewritten.

Implementation of the new recertification stop payment procedures to comply with Treasury's requirements for agencies to reissue all checks and to establish procedures for collection of indebtedness if both the original and replacement checks have been negotiated.

For the first time, paychecks were issued to Senate employees on January 5th as payment for the period December 16-31. Prior to this year, employees were paid for the entire month of December on the December 20th payday.

In May 1984, a cost of living increase of .5 percent was granted retroactive to January 1, 1984, making a total increase of 4 percent effective January 1, 1984. Major programming changes were made in order to implement the retroactive portion of this increase for Senators and officers granting the increase.

Pursuant to the U. S. Treasury regulations, the Senate began work in 1984 to convert the current Composite Check Program to Direct Deposit/Electronic Fund Transfer by July 1985. This process will allow payroll deposits that were formerly disbursed manually to be electronically transmitted to eligible financial organizations automatically. The impact of such a change on Disbursing Office operations and the current Payroll/Personnel System is substantial, and extensive study is underway to ensure that a smooth transition occurs.

Disbursing Office personnel have been working closely with the Financial Management System Project Team to familiarize themselves with the operation of the ISI Replacement Payroll/Personnel System. A prototype version of this system is currently accessible in the Disbursing Office, and every effort is being made to mechanically and administratively test its functioning logic. This affords the Disbursing Office an opportunity to evaluate the Project Team's work and to assure that system modifications will meet the needs of the Disbursing Office in its desire to provide the Senate with improved services. This is an ongoing process, and each new subsystem developed requires extensive reorganization of Disbursing Office resources in order to enable a sufficient number of personnel the time to effectively analyze all components of the future replacement of Payroll/Personnel System.

The W-2 forms were redesigned in order to make better use of the printers available in the Computer Center. This will also produce a higher quality print with clearer copies.

ISI Replacement Payroll/Personnel System Project

In our last report, it was concluded that in 1983 the Financial Management System Project had undergone a period of transition. A new project leader had been appointed and the project team had spent a considerable amount of time and effort documenting system design change recommendations and educating Disbursing Office personnel in the operation of the ISI system. However, by the year's end, it was certain that the project was heading in a positive direction and that 1984 would signal the beginning of concrete results.

In March 1984, a revised project plan was adopted that clearly expanded on the scope of the development work necessary to adapt the ISI system to meet the needs of the Senate. The decision was made to develop eight separate subsystems that together would compose the replacement ISI Payroll/Personnel System. It was also agreed that working prototype subsystems would be developed first, followed by the completed subsystems. This system design methodology will provide for greater acceptance and understanding of the system, largely in part, because Disbursing Office personnel will participate in and contribute to the design of the end product.

The future of the Financial Management System Project looks very bright. The next major deliverable will be the development of a working Prototype Payroll Subsystem. This is scheduled for completion in February 1985 and will be followed by the final Personnel Subsystem in May, the final Payroll Subsystem in September, and the completion of the remainder of the System in December. The eventual, long awaited, live production of the replacement ISI Payroll/Personnel System is scheduled to commence in April 1986.

CONCLUSION

In conclusion, Mr. Chairman, the office that I administer is functioning smoothly. We are conducting reviews of the operation of this office with emphasis on improvement. We are conscious of budgetary constraints and will do all we can to keep costs low without diminishing the quality of service provided to the Senate. I am open to suggestions concerning the operation of my office and will consider each one carefully. In short, Mr. Chairman, I will do all that is possible to provide Senators with a support system that will best serve them.

STATEMENT OF MR. BALDERSON

Mrs. COE. Mr. Chairman, Stuart Balderson is here to present the budget for the Senate. If you have the time, I believe he has a brief statement.

Senator D'AMATO. Certainly.

Mr. BALDERSON. Mr. Chairman, should I read it?

Senator D'AMATO. You can read or present it for the record, either way.

Mr. BALDERSON. Mr. Chairman, I appreciate this opportunity to appear before your committee today to testify regarding the budget of the U.S. Senate for fiscal year 1986.

Before proceeding to the 1984 budget, I would like to address the supplemental request for fiscal year 1985. The supplemental request totaling $11,745,000, which is comprised of $4,673,000 for increased pay costs, the comparability increase of January 1, 1985, and the $7,072,000 for programs supplemental request.

The program supplemental request includes additional funds for administrative, clerical, and legislative assistants for Senators' needs, to be changed for the population for the State of Missouri.

And that provision has been furnished to your committee to include more in the States which fall into the category of having populations exceeding 5 million and less than 7 million.

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Also additional funding for expenses for inquiring into investigations was included to fully fund the committee funding resolution.

Finally, the program supplemental request includes additional funding for the Office of the Sergeant-at-Arms and Doorkeeper for its Telecommunications Department.

Since these items have been incorporated into the budget estimate for fiscal year 1986, I am, therefore, considering these supplemental requests as being enacted only for the purpose of my presentation to the committee.

The budget estimates for the U.S. Senate for fiscal year 1986, as reflected in the budget of the U.S. Government, including budget amendments, as authorized by your committee, and presented today, totals $310,087,000 and is an increase of $24,099,000, or 8.43 percent, over the combined total of $285,988,000 for fiscal year 1985.

These estimates are comprised of $305,508,000 for Senate items and $4,579,000 for joint items of the Senate.

The budget estimates, as submitted, reflect changes in compensation, allowances, and expenses and has been developed in accordance to the requests and proposals submitted by the various functions of the Senate.

Mr. Chairman, I am encouraged with the prospects of your committee enacting the legislative branch appropriations bill for fiscal year 1986 and I look forward to assisting you and your staff.

Senator D'AMATO. Thank you very much. We will have some questions for the. record for you.

Mr. BALDERSON. I will respond to them.

Senator D'AMATO. You are to be commended for your thorough scrutiny of the fiscal 1986 budget request and for the reductions that you are recommending.

Everyone says that we should cut money from someone else's budget. But it is clear that the Senate can not overlook its own operations and attempt to escape our own budget restraint.

POTENTIAL COST REDUCTIONS

Are there any other suggestions that you could make concerning how we could exercise overall fiscal restraint in the Senate and when we might expect costs to level off?

Mrs. COE. Mr. Chairman, there is one item that, quite frankly, might be more appropriate for consideration by the Management Board, but is one that I would like to present for your consideration as well.

USER FEE FOR SENATE DOCUMENTS PROPOSED

The majority leader and the chairman of the Rules Committee and I have discussed this in the past and I would like to suggest that we might consider the possibility of commissioning—by that I don't mean pay for an outside source, but internally select a committee that might study, in coordination with the Rules Committee and Appropriations and the Joint Committee on Printing—a study to determine whether or not we might substantially cut back on the costs of printing and distribution of printed documents to the business public.

It just seems to me that with the ever-escalating costs of these Senate documents, there may be some means of imposing some type of a user fee on business-related interests, who are constantly requesting numerous copies of this endless stream of documents. I would like to explore the possibility of a study to look into this matter.

Senator D'AMATO. Would you care to summarize your statement? I will take it as it appears in the record.

Mrs. COE. That would be fine.

Senator D'AMATO. You may want to touch on some of the highlights.

Mrs. COE. The main highlight that I bring to the chairman's attention is the fact that we have taken a voluntary reduction in our budget for fiscal year 1986, of nearly $700,000 over what my predecessor had originally submitted in anticipation of the 1986 fiscal budget. That is also $327,000, or nearly a 5-percent decrease over fiscal 1985.

We have accomplished this primarily through a reduction in the salary and personnel costs, as well as through a reduction of the cost of education of the pages.

I am very pleased to have the statement put in the record.

MANAGEMENT BOARD MEETINGS

Senator D'AMATO. Let me ask you about the Management Board. It is my understanding that the Board has not met since last year. Do you plan to continue that Board?

Mrs. COE. Yes, Mr. Chairman, we do. As a matter of fact, we had scheduled three separate meetings of the Management Board and then some crisis intervened and we had to postpone them.

I am hopeful that we can have another meeting of the Management Board immediately following the Memorial Day recess. We have a number of agenda items that I will present at that time.

Senator D'AMATO. You mentioned a $50,000 reduction with respect to the Senate Page School. How have you been able to bring about those savings?

Mrs. COE. As I understand it, that was simply a change in the amount that is included in the contract that has been presented.

I might add that those are verbal assurances. We have not been presented with anything in writing in terms of an active contract.

AUDITS UTILIZED IN MONITORING OPERATIONS

Senator D'AMATO. We realize that departments under your control, such as the Disbursing Office, Stationery Room, the Office of Public Records have daily monetary transactions. Have you, or are you considering audits to determine what the status is in regard to these operations?

Mrs. COE. Yes, Mr. Chairman. Immediately after I assumed office, I asked the General Accounting Office to conduct a review of the operations of the Stationery Room. It was a surprise audit of the Keeper of the Stationery. And I am proud to say that he came through with flying colors.

Senator D'AMATO. Yes.

Mrs. COE. They have also conducted a routine audit of the Disbursing Office.

Senator D'AMATO. Isn't there talk about expanding the Stationery operation, to make it more varied?

Mrs. COE. Yes. Specifically, I have had a number of Senators mention to me that they thought the Stationery Room should have an inventory comparable to that available in the House Stationery.

We have, therefore, submitted a questionnaire to office managers throughout the Senate to determine what their views are. We plan to upgrade, based on the survey results.

Senator D'AMATO. Did I cut you off when you said, "The Stationery Store had come through with flying colors"?

Mrs. COE. It was absolutely to the penny. We are also considering asking the GPO or the GAO, whichever one is more appropriate, to review the operation in the Office of Public Records to determine specifically whether or not the charges that are being levied for reproduction of the documents through the Public Records Office are adequate to cover actual costs.

DELAYED RECEIPT OF COMMUNICATIONS

Senator D'AMATO. Staff informs me that it sometimes takes 2 weeks for executive communications to be delivered to the appropriate offices.

Can you explain the various steps of this process and suggest ways of making these deliveries more expeditious?

Mrs. COE. Yes, Mr. Chairman. I was unaware that this problem existed until it was brought to my attention in the last week.

Quite frankly, there are currently entirely too many steps involved on the Senate side in directing these communications to the appropriate committee.

The steps involved are as follows: The communications are sent by the department or agency to the Office of the Vice President. That Office logs them and sends them to the Parliamentarian for referral.

The Parliamentarian then sends them to the Journal Clerk and the Morning Business Editor, who share the responsibility for numbering them and entering them in the legislative computer system.

The communication is then sent to the committee on the day after it appears in the Congressional Record. As of May 9 of this year, over 1,100 communications have been processed and delivered in this fashion.

But as I am sure you can recognize, this process is entirely too lengthy and we have contacted all the different individuals and offices involved with the hope of combining some of the steps or at least triggering some of them simultaneously, so that we can shorten the amount of time.

Senator D'AMATO. One of the functions of your Office is to conduct all history reviews of retired senior Senate staff. How are the candidates selected? Do you have any ongoing at this time?

Mrs. COE. No; we do not have any ongoing at this time.

[The information follows:]

SENATE STAFF ORAL HISTORY PROGRAM

Since 1976, the Senate Historical Office has been collecting a series of oral history interviews with retired members of the Senate staff. These interviews have been both biographical and institutional, including individuals' personal recollections of their careers with the Senate and discussions of how the Congress changed during their tenures. The Historical Office uses information gained through these oral histories for its own reference work, and makes it available to researchers through the Senate Library, the Library of Congress, the National Archives, various Presidential libraries, and a microfiche edition distributed by Scholarly Resources, Inc.

This project focuses on staff rather than former Senators, as the latter generally give oral history interviews to universities and historical societies in their home States. The Historical Office encourages such private projects, cooperates with them, and keeps a record of all resulting transcripts. For its own project, the Historical Office generally concentrates on staff whose service spanned more than two decades, and whose experience has included work on committee staffs, as well as with individual Senators.

Faced with a large pool of perspective interviewees, the Historical Office decided to choose a few representative individuals to interview in depth, rather than to produce a great quantity of short interviews. The typical oral history in this series consists of six to eight interview sessions, each about an hour and a half in length. Transcripts are produced immediately following each session for the interviewees to correct. Interviewees are encouraged to speak fully and candidly, and the transcripts remain closed until specifically opened for research under the terms of a deed of gift. Although most interviews open immediately, some have been closed for short periods of time. A few have been opened with selected passages closed for specific periods. The Senate Legal Counsel has assisted in screening sensitive interviews.

Mrs. COE. I know that from last year's testimony, the chairman of the Appropriation Committee, Senator Hatfield, indicated that he would very much like to interview Bill Hildenbrand, the retired Secretary of the Senate. A series of seven interviews with Bill Hildenbrand have been conducted and his history review has been completed.

SUBMITTED QUESTIONS

Senator D'AMATO. Well, we thank you very much. We may have one or two other questions for the record for you to answer?

Mrs. COE. Gladly.

Senator D'AMATO. Senator Bumpers may have some questions also.

Mrs. COE. Certainly.

Senator D'AMATO. Thank you very much.

Mrs. COE. Thank you very much.

[The following questions were not asked at the hearing but were submitted for response for the record:]

STATIONERY ROOM

Question. Have you consulted with the Rules Committee on the matter of expanding the inventory of the Stationery Room?

Answer. Until we have the results of the questionnaire, it would be premature to submit any recommendations to the Rules Committee. Needless to say, we would consult with the Rules Committee prior to expanding the inventory of the Stationery Room since that committee is charged with approving any inventory expansion or changes.

PAGE SCHOOL

Question. What conditions have changed that will allow you to sign a new contract for the education of pages at a $50,000 savings from last year?

Answer. There has been no change in conditions precipitating this reduction. The fiscal year 1985 page school contract calls for a $186,000 expenditure. Based on last year's contract, the initial 1986 page school submission of $250,000 was simply too high an estimate. We do not anticipate increases totaling over 7½ percent of last year's expenditure for this particular line item.

HISTORICAL OFFICE

Please provide a complete listing of all interviews conducted since this project's inception.

INTERVIEW TRANSCRIPTS CURRENTLY OPEN FOR RESEARCH

(DATES INDICATE TOTAL PERIOD OF SENATE SERVICE)

Francis J. Attig, Senate Reporter of Debates, 1952–74.
Leonard H. Ballard, Inspector, U.S. Capitol Police, 1947–84.
Pat M. Holt, Chief of Staff, Senate Foreign Relations Committee, 1950–77.
J. Franklin Little, Senate page, 1910–12
Carl M. Marcy, Chief of Staff, Senate Foreign Relations Committee, 1950–1973.
Stewart E. McClure, Chief Clerk, Senate Committee on Labor, Education, and Public Welfare, 1949–73.
Warren Featherstone Reid, Chief Aide to Senator Warren Magnuson, 1964–81.
Floyd M. Riddick, Senate Parliamentarian, 1947–74.
Darrell St. Claire, Assistant Secretary of the Senate, 1933–77.
Ruth Young Watt, Chief Clerk, Senate Permanent Subcommittee on Investigations, 1947–79.
Francis O. Wilcox, Chief of Staff, Senate Foreign Relations Committee, 1947–55.

INTERVIEWS CURRENTLY BEING PROCESSED

William F. Hildenbrand, Secretary of the Senate, 1961–81.
William Ridgely, Senate Financial Clerk, 1949–81.

POTENTIAL INTERVIEWEES SOLICITED FOR THE PROJECT

J. Mark Trice, former Secretary of the Senate.
Francis Valeo, former Secretary of the Senate.
J. Stanley Kimmitt, former Secretary of the Senate.
Gordon Harrison, former staff director of Senate Rules Committee.
William M. Cochrane, Senate Rules Committee.

OFFICE OF THE SERGEANT-AT-ARMS AND DOORKEEPER

STATEMENT OF HON. LARRY E. SMITH, SERGEANT-AT-ARMS

ACCOMPANIED BY:
- **BRUCE HOLMBERG, DIRECTOR OF FACILITIES AND FINANCIAL MANAGEMENT**
- **ERNIE GARCIA, DEPUTY SERGEANT AT ARMS**
- **JAMES J. CARVINO, CHIEF OF THE CAPITOL POLICE**

CHAIRMAN'S OPENING STATEMENT

Senator D'AMATO. Now, we have our Sergeant-at-Arms, Larry Smith.

Let me read my statement here. As the Senate has moved ahead in computer technology, the telecommunications area has been increasingly important to the Senate and its constituents. It has also become increasingly expensive and we may want to talk about that.

But I want to take this opportunity to thank you for your service to the Senate. You have always been a gentlemen, a pleasure to work with. You have been responsive in dealing with our requests. You have been a tough manager in getting the most out of your department.

PREPARED STATEMENT

We have your full statement and it will be received in the record in its entirety, after which you may proceed as you see fit?

[The statement follows:]

STATEMENT OF LARRY E. SMITH

Mr. Chairman and Members of the Committee, I am pleased to meet with you today to discuss the activities of the Office of the Sergeant at Arms and to provide you with the bases under which our FY 86 budget request was formulated.

As you may know, this will be the last time I will be appearing before you as Sergeant at Arms. I would be remiss if I didn't say that many of the improvements my predecessor and I were able to make to the Sergeant at Arms office were due to the cooperation and the understanding of this Subcommittee. This Subcommittee has consistently provided us with the tools required to do our job, and for this we are most grateful.

In short, the Sergeant at Arms office is a service organization. Our responsibilities run from printing newsletters; delivering mail; to providing office equipment both here in Washington and in Senators' state offices. In a real sense, our budget is tied to providing services to Members of the Senate at a predetermined level. Thus these services are in fact, "entitlements", the costs of which have become built-in rather than discretionary.

We have been keenly aware of this Committee's desire to keep expenditures at or below current levels. To a large degree, we have been able to do this through enhanced management and efficiencies.

There are, however, several programs under my jurisdiction that are largely resistant to fiscal control through internal management. Today in my testimony I would like to discuss three of these areas.

PBX Switch

Last year I indicated to this Subcommittee that antiquated equipment and escalating telephone service charges made it imperative that the Senate acquire its own PBX switch. After many months of planning, we are now in the middle of a major procurement of a new telephone system. I am pleased to report to this Subcommittee that our procurement effort now has the active participation of the House of Representatives, so that whatever system is selected, it will be used in both the Senate and the House.

This effort comes none too soon, for the annual cost of the present Centrex telephone system exclusive of long distance service averages $3.3 million. The yearly cost to the Senate of the proposed PBX system is estimated to be $1.3 million.

The cost of our current telephone service is continually escalating. The cost for local service in FY 83 rose one million dollars above that paid the previous year. When the current rate stabilization agreement ends in 1986, we can expect an even greater rate of increase.

These savings from our own PBX represent an estimated payback period of 3.5 years, and reflect many technological and managerial benefits which would accrue under the PBX system.

For example, there is no universal wiring plan in our present system. Bulky and expensive cable extends through building ductwork and around doors and walls in many offices. Costs of moves and changes average over $350,000. With universal wiring, "skinny" wire is installed at wall outlets in each suite and will serve both digital and conventional telephones and computer terminals. Expensive key equipment and its bulky and unsightly wiring will be replaced by more effective and esthetically pleasing electronic/digital/data read units. Moves and changes will be effected by a computer keyboard. There will be no costs associated with this action and no disruption of office activities will take place. Savings per year, therefore, are at least $350,000.

Additional benefits include the ability to add new lines at no cost, replacement of outdated instruments with electronic/digital sets, data transmission and digital switching. The latter two features will enable the system to function as a back-up for the computer cable system and provide for digital access to outside computer facilities.

Finally, our present switch provides very little in the way of information necessary to effectively manage our telecommunication system. C & P can provide data on request, but it is costly and generally outdated by the time it is received. A new PBX will provide us with real time inventory, bill verification, call detail recording, cost allocation, problem tracking, and traffic analysis data. All of these are necessary to manage assets and fine tune the telephone system for maximum efficiency and savings.

In summary, a PBX switch would provide state of the art service at greatly reduced cost.

State Offices

Another area that we have examined is the provision and costs of FTS and local service in state senatorial offices. Currently, we reimburse the General Services Administration (GSA) for the lines and services. There has been an approved increase for FTS lines which would raise the cost from $20.00 to $235.00 per line per month. With the assistance of this Committee, GSA has agreed to push back the effective date of this increase to October, 1985. This increase will outstrip the ability of most Senators to pay for services currently being provided.

I should also point out that, as part of our survey of state offices, we have received a large number of complaints about the quality of service currently provided in this area. As an example, recently we replaced a system in Hawaii which required the dialing of 24 digits to place a long-distance call. That same call now requires 10 digits. With this in mind, we have proposed to the Committee on Rules and Administration a takeover of provision and payment of this service by the Office of the Sergeant at Arms. I am pleased to report that just last week the Rules Committee approved this proposal and has reported to the full Senate legislation granting this change.

Centralized management of this function will lend itself to potential economies in the procurement of services. Also, as the technology in this field further evolves, we will be better able to keep pace with the alternative services made available in the market. Finally, further economies can be gained by managing the service in a manner to maximize the potential for sharing voice with data transmission lines, transmittal during off-peak hours, and other areas of possible common usage.

In order to accomplish this, we are requesting the amount of $300,000 to effectively phase-in this takeover in FY 85, and $6,000,000 in FY 86 for full implementation and equipment upgrades.

Office Automation

In March 1983, the Committee on Rules and Administration authorized the introduction of office automation equipment in several pilot offices to determine if significant staff productivity increases could be achieved. The success of the pilot tests led to a competitive procurement on behalf of member offices. In June 1984, the Rules Committee authorized member offices to select office automation equipment from among approved vendors. Also, committees were authorized, upon submission of a plan, to have office automation systems installed.

The program, to date, has gained a large measure of success. Eighty-six member offices and one committee office, have had equipment installed. Further, we expect to have a total participation of 96 member offices by the end of this current fiscal year. We also expect to have a total of 16 committees and other offices installed by the end of this fiscal year.

Through FY 1986, we expect usage of this program to further increase as additional features are afforded to Senate offices. As the implementation of the different phases continues, we have made various assumptions and projections based on our experience to date.

The overall cost of this program include $1.889 million in FY 1984, a projected $11.469 million in FY 1985, and an estimated $15.84 million in FY 1986; an increase of almost $4.4 million from FY 1985 to FY 1986. The major items contributing to this increase is annualization in FY 1986 of costs for systems installed during FY 1985 and additional installations projected for FY 1986.

We are projecting some of the elements of this program to decrease in the level of funding required. Most of the cable and equipment installation will have been completed. In addition, we are projecting that the Senate Computer Center will begin to assume the responsibility for user training, reducing a potential $2.1 million requirement to $1.1 million. We can obtain this saving in training expenses by increasing staff in the Educational Services and Support Division of the Computer Center at a cost of $264,000.

In addition to the items of equipment, installation, and training, there are some policy issues which are of concern to us since it is impractical at this time to identify the funding required. We have not included the costs of vendor-supplied mail management software. This software would provide facilities comparable to CMS on the office processors. One-time development costs could range as high as $2.0 million per vendor, subject to negotiation and optional features. Once actual costs are known, additional funding for this software will be requested. Another phase for which we will later request funding, is expansion of the program to Senate state offices. Without knowing the magnitude to which this will be authorized, we cannot project the required funding for equipment or upgrades to our communications network.

A third policy issue for which no funds are currently identified is the potential authorization of lap-held or desk-top portable microcompuers for member offices. Both hardware, software, and maintenance expenditures will require funding should these devices be authorized for use. The final policy issue for which funding has not been identified is vendor-supplied support for the users. In our FY 1986 funding request for office automation, we have limited funds for an on-site hotline and office support from the vendors, on the presumption that our Educational Services staff will begin to assume part of this role. Should it be necessary to contract with the vendors for extended support, it may cost as much as $685,000 more than is included in our request.

In summary, based on today's projections for the authorized office automation program, we are requesting $15,840,000 to fund the offices in which equipment has already been installed and to fund those additional offices for whom we are projecting installation to occur between now and the end of FY 1986. This program has grown from the initial startup costs in FY 1984 of under $1.9 million to the expected FY 1985 costs of $11.5 million, to this request for FY 1986 of $15.84 million.

As I mentioned at the beginning of my testimony, this is equivalent to an "entitlement" program with certain built-in costs which are authorized for all members, committees, and other offices of the Senate and which, in less than a year, have been accepted and implemented in a very high number of offices.

As I discussed with this Committee last year, technology growth and authorized services in the areas of computers and telecommunications is having profound effect on the methods in which Senate business is conducted and accordingly, the associated costs. Our current request reflects this rapid change and growth.

Mr. Chairman, excluding the telecommunications and the office automation projects I have just mentioned, the rest of our expense budget for FY 86 is $4,140,000 less than we received in FY 85. This reduction is reflected mainly in the area of lower CMS costs and the fact that FY 86 from an operational standpoint is a non-election year.

Our estimate for personnel salaries in FY 86 is $39,145,000, an increase of $2,787,000 (7%) over the amount available in FY 85. This increase covers merit compensation, salary administration (COL, annualization of FY 85 positions, etc.), and where applicable longevity payments.

Finally, Mr. Chairman, before I close my prepared remarks and begin responding to your questions, I would like to say a word about security. This Subcommittee has been very responsive to our requests for additional monies for making changes to our security here in the Capitol and in the Office Buildings. In many cases, our new security measures have caused inconvenience for some and discomfort for others. Unfortunately, all of these measures are necessary in light of terrorist activities throughout the world.

In the months ahead, improvements to the security of the Capitol Plaza should become a reality thus allowing us to eliminate some unsightly vehicles. However, more money for security isn't always the total answer. Many times our police organizations must change in order to be more responsive to new circumstances.

Since last October when James Carvino became Chief of the Capitol Police, a thorough review of the police operations has been conducted by his office. As a result of this review, Chief Carvino anticipates making some organizational changes to the police department during the next few months.

I believe the changes contemplated by Chief Carvino will further enhance the ability of the Capitol Police to provide security for the Congress. The role of the Capitol Police has evolved from that of a simple building security agency to a sophisticated law-enforcement department responsible for personal security needs of Members of Congress, counter surveillance measures, drug-enforcement efforts, as well as traffic and crowd control for such major national events as the Inauguration of the President. Chief Carvino is preparing to structure the force to meet these new security requirements, and I am confident he will achieve these goals.

This Subcommittee can play an extremely important role by supporting the Chief as he begins this restructuring effort. I know that prior to the implementation of these changes, the new Sergeant at Arms, Ernie Garcia, and Chief Carvino will be available to brief you on this reorganization.

INTRODUCTION OF ASSOCIATES

Mr. SMITH. Thank you, Mr. Chairman. Before I begin, I would like to introduce Ernest E. Garcia, who is presently Deputy Sergeant-at-Arms.

Senator D'AMATO. By the way, where are you going?

Mr. SMITH. I am going to be with Burson-Marsteller, a firm headquartered in your State. I will be here in Washington.

I would also like to introduce Bruce Holmberg, our Director of Facilities and Financial Management.

SUMMARY OF STATEMENT

As you mentioned in your statement, there are two or three areas that have really changed rapidly, as it relates to computers and telecommunications.

You will see in the budget submission that we have presented this year that we are going through some tremendous increases in terms of dollars for those two areas.

SENATE PHONE SYSTEM

I would just like to briefly summarize what goes on and I will respond to any questions that you have. Last year we mentioned to you the need to replace the Senate phone system. With your permission, we began that process.

Presently, we are in the middle of a major procurement to do just that. And it is going to cost anywhere from $6 to $7 million. But the payback period for that will be 3.5 years, so we think it is a very good investment on the part of the taxpayers.

Just 2 weeks ago, the House of Representatives decided that they wanted to join us in this procurement, thus the system we acquire will service both the House and the Senate. I think it is an excellent move in terms of trying to cut down our telecommunications costs.

If we don't do it, you will see even greater increases in these costs in future years. I feel it is much needed and I think that Members of the Senate will find that they have much better service and features than they have in the present system.

So I feel very enthusiastic about this. Our timeframe is to have the system installed and running by the start of the next Congress. We have a lot of work to do, but we think it is achievable.

INCREASED FTS COSTS

Second, also relating to telecommunications, involves State office telecommunications. Earlier this year we received quotes of increases from GSA for FTS service. They were talking about an 1,100 percent increase.

Senator D'AMATO. Yes.

Mr. SMITH. And we said, "Well, we had better take another look at this." With the cooperation of your subcommittee, we went back to GSA and did some negotiating and got them to agree to withhold the increase until the start of the next fiscal year.

They basically wanted to start it almost immediately.

Senator D'AMATO. How much?

Mr. SMITH. 1,100 percent. The cost per line is going from $20 per line per month to $235 per line per month. And basically——

Senator D'AMATO. Are they still talking about an 1,100-percent increase?

Mr. SMITH. They are.

Senator D'AMATO. Did we agree to it?

Mr. SMITH. Well, yes and no. The GSA has not had an increase for FTS service for 10, 15 years.

Senator D'AMATO. So what?

Mr. SMITH. Well, I say it is OK. But our solution is,——

Senator D'AMATO. When are they coming in?

Mr. KENNEDY. They have already testified before the Treasury Subcommittee.

Senator D'AMATO. They are going to put this off until when?

Mr. SMITH. They agreed to put it off until October 1.

Senator D'AMATO. Of this year?

Mr. SMITH. This year. At the same time we have requested of the Rules Committee authority to take on that responsibility from individual Member's offices so it will be managed and financed by the Sergeant-at-Arms Office, allowing some economy of scale.

Senator D'AMATO. Yes.

Mr. SMITH. We did a survey last year in terms of FTS service and we found that approximately 60 percent of our Members are very unhappy with the quality and level of FTS service in their State.

Senator D'AMATO. You can't get anybody.

Mr. SMITH. That's right. We want to start exploring alternative service, whether it is MCI, Sprint, AT&T.

Last year in Hawaii—an office in the FTS system—their office had to dial 24 digits before they could get a line. Many times the line would be busy by the time they completed the dialing.

We have since replaced the service with commercial service. We provided better service for about the same amount of money.

Our goal is to provide the Senate with better service for less cost. But we need to take on that responsibility and manage it. That is what we are seeking.

The Rules Committee has reported out legislation giving us that authority. We are now coming to you asking for the money to manage that system.

Senator D'AMATO. Is it in your request?

Mr. SMITH. It is in there.

Senator D'AMATO. How much are you asking?

Mr. SMITH. For next year we are asking $6 million.

Senator D'AMATO. Either you get it or we get it. We get it in a different way, right?

Mr. SMITH. That's right. We think we can do it for less.

COMPUTER SERVICES

The third area that I wanted to discuss with you is office automation. As you know——

Senator D'AMATO. It is a disgrace.

Mr. SMITH. It can also be very expensive.

Senator D'AMATO. But this is a joke. What we are going through is an absolute joke. I don't know who is responsible for it. I don't mean to reflect upon you.

Mr. SMITH. I understand.

Senator D'AMATO. I understand that IBM wouldn't even bid. Is that true?

Mr. SMITH. I understand that they did not submit a bid.

Senator D'AMATO. Why? We certainly tried to talk to them.

Mr. SMITH. I am sort of in the middle, Mr. Chairman.

Senator D'AMATO. You can be truthful. The process was handled by the Rules Committee.

Mr. SMITH. I don't want to——

Senator D'AMATO. But you are leaving. You can be truthful.

Mr. SMITH. Basically due to the procurement configuration, or the state of the art as to our applications for office automation, I think IBM decided that they could not or would not offer the service.

Senator D'AMATO. Do you think that anybody else is going to be able to offer it?

AWARDS MADE TO THREE VENDORS

Mr. SMITH. We had, I recall, about a dozen vendors who submitted bids and we were able to make awards to three of them.

Senator D'AMATO. What are the names of the three of them?

Mr. SMITH. Data General, Prime——

Senator D'AMATO. Data General must be one of the ones to compete with IBM.

Mr. SMITH. They are competing with IBM in a very selective market.

Senator D'AMATO. I am being facetious. What is the other one?

Mr. SMITH. Honeywell is the third one.

Senator D'AMATO. You know I want to tell you, after we train our people on this equipment, we pull out all these machines and start the school all over again.

People aren't happy with the product that they are getting. I don't understand it. What has happened?

Mr. SMITH. Mr. Chairman, when I went before the Rules Committee on this issue——

Senator D'AMATO. Who on the Rules Committee? Who is telling us what to do? Is it staff?

Mr. SMITH. Well, it is staff, as well as a lot of support on the part of the Senators' offices.

Senator D'AMATO. To do what?

Mr. SMITH. To go in the direction that we have gone.

SEVERAL VENDORS VERSUS ONE VENDOR

Senator D'AMATO. What is that?

Mr. SMITH. Several vendors.

Senator D'AMATO. Why several vendors?

Mr. SMITH. Well, that is the question that I asked. I recommended that we go to one vendor. But I can tell you that I was severely criticized for taking that approach.

Senator D'AMATO. Of course, because you can't please all the favorite people.

Mr. SMITH. So they select——

Senator D'AMATO. It is incredible: To have to whack it up among three different vendors. I can't understand it.

Mr. SMITH. I made a one-vendor recommendation. Part of it goes back to our training with only one vendor. As you know there has been a lot of unhappiness with that vendor.

MULTIPLE VENDOR OPTION

As a result of that, many offices felt—and we are having more Members coming to the Senate from the House of Representatives where they can choose any vendor they want, that there should be a multiple vendor option.

Senator D'AMATO. Why don't we do that? Wouldn't that be better?

Mr. SMITH. Well, possibly we could have 20 or 25 vendors.

Senator D'Amato. Well, then at least each Senator or his office manager is responsible for its shortcomings and failures.

They design a system within certain limits. They are big boys. Let them make their own decision, whether they want to use IBM or Honeywell or whatever it might be.

Now what happens? Do I get to pick one of those three or does somebody tell me what I have to do?

Mr. Smith. No, no; your office selects one of the three.

Senator D'Amato. Then we go through a whole new training program, how to use their machine. I think it is a disgrace.

PROJECT COSTS ESCALATING

Mr. Smith. I am here to tell you that it is going to get more expensive.

Senator D'Amato. Why?

Mr. Smith. Because what we are doing is a very expensive project.

Let me give you an example. The first year we started this it cost, I think, about $1.8 million. The following year, as more offices were installed, to $8 or $9 million. In fiscal year 1986, it is $15 million.

Senator D'Amato. How do we cut 10 percent?

Mr. Smith. You are going to have to cut back on service.

Senator D'Amato. What kind of service?

Mr. Smith. In terms of——

Senator D'Amato. We should do away with Members mailing anything, have the Members on the Rules Committee say they don't want anybody to mail anything. Why don't we take out all the telephones?

That is for the record. You didn't have to answer.

Mr. Smith. It is a problem. If the decision is made to extend these systems to State offices, our successors are going to come and ask for more money. It is very expensive.

Senator D'Amato. We could take it out of the Library bill.

Mr. Smith. The word that I want to leave with you is that it is very, very expensive.

Senator D'Amato. How is CMS doing?

Mr. Smith. Well, we hope to totally phase that out in the next year or so as the vendors take on this function.

But to give you an example: We are going to have to pay developmental costs for these vendors to take on the CMS function. That is going to cost a couple of million dollars.

Senator D'Amato. Do you think they are going to be better than CMS?

Mr. Smith. I think so in that each office is going to be able to maintain greater control. Our hope is, basically, from a user standpoint, that there will be no change in terms of the input, they are going to use the same format and what have you, but that in terms of responsiveness, the fact that we are not all hooked up to one computer, we feel that the reliability and responsiveness is going to be much improved. That is a year and a half down the road.

PRINTING SERVICES

Senator D'AMATO. How about the printing of newsletters, how are we doing there?

Mr. SMITH. I think we are doing very well. In 1983 we printed about 196 million, in 1984, that amount went to about 314 million.

I checked just the other day to see how we were doing in 1985 and we are matching what we did in 1984. And I anticipate in 1986, we can go even further than that.

If you refer to our budget, you will see that we are asking for only one other person additionally, in the Service Department.

We are able to do that, increase productivity, because we are basically changing our physical plant. We have state of the art presses and are trying different mailing techniques.

I am convinced that we can do the job. But at the same time, we are pushing our people pretty hard. The crunch we had last year, led to running our operation 7 days a week, 24 hours a day.

We have to be able to reward those people for their effort, let them know we appreciate them. That is the same pressure that is coming in the future.

Senator D'AMATO. Well, let me say for the record, I have always enjoyed our relationship because you have you have been very candid and forthcoming before this committee. You have indicated when we have problems, and you have been most responsive to our questions.

I find it hard to believe that after we start a system and shift to another system, a company like IBM is not willing to serve as one of the vendors. We must have been doing something wrong. We certainly must have discouraged them.

I have a number of questions that I will submit for the record.

Mr. SMITH. If I could just do one other thing, Mr. Chairman. I would like to introduce the Chief of the Capitol Police, James Carvino.

Senator D'AMATO. Say that name again.

Mr. SMITH. Carvino. He is doing an outstanding job, a difficult job. He will be working with you in the future as we make additional changes in our security. He is an excellent resource.

Thank you.

Senator D'AMATO. Senator Bumpers is tied up in an Energy Committee hearing on auto fuel efficiency standards, but wants to extend his thanks to the Sergeant-at-Arms, Larry Smith, for his very fine performance over the past 2 years. He also wishes to welcome the new Secretary, Jo-Anne Coe and her assistant, Linda Nersesian, the new Sergeant-at-Arms Earnie Garcia and the new Capitol Police Chief, Jim Carvino. Stuart Balderson is to be commended for his usual fine performance.

SUBMITTED QUESTIONS

Senator Bumpers will have some questions to be answered for the record, in addition to those prepared by subcommittee staff.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED FOR THE RECORD

SERGEANT AT ARMS -- FINANCIAL MANAGEMENT

Your statement refers to several programs within your jurisdiction that are "largely resistant to fiscal control through internal management," and as such, constitute entitlements. I assume you are referring to such activities as office automation and those performed by the service department; areas in which there is little opportunity for you to refuse a request for an authorized service from a Senator simply on the basis of fiscal resources. Somehow, you will find the money, particularly since this Committee has provided you with lump-sum authority and other devices for more flexible, responsive management.

However, I would caution you to refrain from viewing these matters as entitlements. The Senate, no more than any other government entity should never operate under the assumption that its operations are entitled to whatever sum may be necessary to execute whatever programs might be authorized.

Rules Committee authorization of Senate-wide office automation, for example, does not necessarily mean that this Committee will agree with the timing, pace, extent, or cost of the project, and could well mean the denial or reduction of funds requested particularly in times of severe fiscal constraint.

You may respond to that general observation before we proceed with particulars.

Thank you Mr. Chairman. Perhaps a strict interpretation of "entitlements" is somewhat misleading. What I have tried to convey to this Committee is that our annual budget requests are often a mirror fiscal image of those administrative actions taken by the Committee on Rules and Administration in the course of their oversight responsibilities. With the assistance of your Committee, we have traditionally been able to modify current year budget execution plans to accommodate authorizations for new or enhanced levels of services. As these services are implemented, they then become part of the integral base for planning in the budget year, often resulting in large requested increases.

We will continue our efforts to maximize fiscal control through measures such as timing, pace and extent of implementation within existing fund availability; however, during the course of regular budget cycles, I believe it is incumbent upon the Sergeant at Arms to present to this Committee an annual budget request that reflects the full cost of providing current services as authorized.

Sergeant at Arms -- Security Procedures

Q: The security procedures initiated last year in the wake of the Capitol bombing caused somewhat of an uproar, but now seem to have been widely accepted and matters seem to be proceeding smoothly. Can you update us on this activity and indicate whether we may expect some cost savings in the future as the shakedown period ends?

A: As with any new system, a period of evaluation and adjustment is a necessity. Over the past eighteen months the upgraded security measures implemented immediately following the most recent Capitol bombing have undergone such an evaluation and reasonable adjustments have been made where practical. However, security is never a static process. Terrorist tactics and methodologies are constantly evolving and the measures employed to combat them must simultaneously evolve or become ineffective. Toward this end, a comprehensive perimeter security study has recently been completed and is under review by the Capitol Police Board. A number of staff studies directed toward identifying more cost effective alternatives to present security procedures are underway and we envision that these studies will result in improved efficiency. As a practical matter, however, it would be premature to forecast a quantifiable cost savings at this time.

Q: On a related matter, I know you have been working with the Architect on a plan for the East Plaza of the Capitol that would reduce parking and vehicular traffic. Part of that plan includes the installation of hydraulic barriers, similar to those now in use at the Supreme Court, to replace dump trucks now blocking entrances to the Capitol Grounds. From a security point of view, do you believe it would be advantageous to proceed with installation of the hydraulic barriers, and not wait for complete approval and funding for every aspect of the East Plaza project?

A: Strictly from a security standpoint, it would be a definite advantage to have the proposed physical barriers in place at the earliest possible date. As to whether or not this is feasible or what adverse impact it might have on overall construction, I would have to defer to the Architect.

Q: Your justification for $15,852,000 and 1222 positions for the Capitol Police is vague at best. For starters we would like to hear from you or Chief Carvino about the various studies and analyses being undertaken. Are these routine initiatives from the new commanding officer on board, or do they result from widely perceived problems and inadequacies? Can you provide specific examples? How will reorganization along functional lines eliminate duplication of effort, and what dollar savings can be projected? How will decentralizing authority downward improve the overall effectiveness and efficiency of the department? How has centralized authority impeded them?

A: As has been previously reported to the Committee, a number of major studies are currently underway within the department. These studies are directed in part to improving certain deficiencies in the department, such as a lack of coordination and fixed responsibility in the organizational structure and continued reliance upon overtime as a means of meeting daily commitments. Principally, however, they are intended to improve the overall management practices and productivity of the force. Studies and evaluations of this nature are a matter of routine in modern law enforcement and should be repeated at regular intervals.

Reorganization along functional lines will eliminate duplication of effort by grouping like tasks within a single organizational element. For example, a unit of the administrative arm of the department has heretofore been charged with responsibility for physical security systems in the various buildings. Members of the unit make threat assessments based upon intelligence information, design systems to combat different types of threats, and oversee the installation and operation of the systems. At the same time, a unit of the investigative section of the force has overall responsibility for intelligence gathering and assessment and operations units are actually responsible for the day-to-day physical security of the various buildings. Because each of these three activities report through a separate and distinct chain of command, there is an inherent lack of coordination and duplication of effort is unavoidable. Again, it is not possible to project an accurate dollars savings at this point.

Decentralization of authority downward is simply a process of affixing responsibility for operational efficiency and management upon assigned unit managers. Previously, centralized administrative units performed tasks, such as budgeting, operational planning, leave management, etc., for the department as a whole. This practice, which may be appropriate in much smaller departments, served to relieve managers of the responsibility for effectively managing their respective units. As a result, responsibility for routine management decisions evolved upon administrative units that were inadequately staffed and informed to make appropriate decisions, and major unit managers became little more than supervisors, with no fixed responsibility for efficient management of their assigned resources and the effective delivery of services.

The major objective of decentralization of authority downward is to make people think about the quality of services rendered, and fix responsibility and accountability at the lowest level possible. This will tie in with other managerial concepts, such as completed staff work, planning by objectives, and decision making models to be employed to make authority and responsibility commensurate in management.

Q: You hope to reduce reliance on overtime. What are your overtime costs, and how many members of the force are receiving overtime compensation?

A: Over the past five calendar quarters overtime expenditures have averaged approximately $429,000 per quarter for personnel on both the House and Senate payrolls. At present, 1,165 members of the force, in the rank of Sergeant and below, are eligible for overtime compensation and earn varying amounts depending upon their respective assignments.

Q: Please provide the Committee with a breakdown of positions allocated to each of the four details under field operations, the investigations element, and the administrative element, with associated costs for each.

The following is a breakdown of personnel allocations and associated costs as requested:

Field Operations

Staff

1	Deputy Chief	$	59,753
1	Inspector		48,888
1	Sergeant		28,451
3	Technicians		81,753
6	TOTAL	$	218,845

Capitol Detail

1	Inspector	$	49,407
1	Captain		42,942
5	Lieutenants		181,085
17	Sergeants		514,807
4	Technicians		109,696
212	Privates		5,031,415
10	Security Aides		139,730
250	TOTAL	$	6,069,082

House Detail

2	Inspector	$ 100,371
5	Lieutenants	182,642
23	Sergeants	708,349
4	Technicians	109,177
274	Privates	6,615,338
308	TOTAL	$ 7,715,877

Patrol Detail

1	Inspector	$ 48,888
1	Captain	42,942
5	Lieutenants	182,123
14	Sergeants	423,745
2	Technicians	51,734
12	Canine Tech.	322,860
73	Privates	1,769,981
108	TOTAL	$ 2,842,273

Senate Detail

1	Inspector	$	50,964
1	Captain		42,426
5	Lieutenants		183,161
20	Sergeants		611,578
3	Technicians		83,310
259	Privates		6,288,446
7	Security Aides		97,811
296	TOTAL	$	7,357,696

Staff, Administrative & Support Elements

1	Deputy Chief	$	60,272
8	Captains		342,426
11	Lieutenants		400,462
35	Sergeants		1,060,140
4	Special Technicians		122,108
1	Detective		30,014
16	Technicians		427,366
100	Privates		2,310,209
176	TOTAL	$	4,752,997

Investigations Elements

1	Deputy Chief	$ 57,677
1	Inspector	48,369
2	Captains	85,884
2	Lieutenants	72,953
18	Sergeants	548,448
22	Detectives	632,282
30	Plainclothes Off.	791,880
2	Technicians	53,291
16	Privates	391,148
2	Security Aides	27,946
96	TOTAL	$ 2,709,878

Senate Computer Center - Office Automation

Question #1:

While by no means an unqualified success, office automation has certainly been a popular program. Everyone, it seems, wants to have his own computer, and you indicate that by the end of the current fiscal year 96 member offices and 16 Committee and other offices will have systems installed.

It would seem that with the vast majority of installations completed, the cable strung, user familiarity increasing and training requirements therefore dropping, that we would have something other than a doubling of your office automation budget. Would you care to elaborate on that, and for the Record, detail the costs of equipment purchase, maintenance, and installation, and user training provided by vendors and by computer center staff, comparing your FY85 budget to your FY86 request?

Answer #1:

Mr. Chairman, there are several factors which cause the budget request for office automation to increase from Fiscal Year 1985 to 1986. The first is that the systems, which are being delivered on a phased-in basis, have been installed throughout the entire fiscal year. Therefore, Fiscal Year 1986 will see the annualization of all systems installed in 1985. Furthermore, as additional offices select equipment, more systems will be installed during 1986, again requiring appropriated funds for partial year operation and an increased funding requirement for annualization in FY87. We have reflected a decreased level of cable installation for the major system installation phase. There are, however, additional communication capabilities projected, as Senators request access to additional services. As for training, while we concur that user familiarity will increase, we have included funding requirements to train new staff in Senate offices, based on turnover rates interpreted from the Disbursing Office records and data provided by CRS studies. The following chart indicates the expenditures incurred as well as those projected for this program.

	FY 1984 Actual	FY 1985 Actual and Projected	FY 1986 Projected
Hardware/Software, Member Offices	$ 915,000	$ 6,525,000	$ 9,472,000
Hardware/Software, Committees	780,000	1,677,000	3,576,000
Training	84,000	1,628,000	1,132,000
User Support	0	588,000	1,116,000
Installation	94,000	899,000	300,000
Other	16,000	152,000	244,000
TOTAL	$1,889,000	$11,469,000	$15,840,000

These costs do not include the FY85 or FY86 additional funds being requested by the Committee on Rules and Administration for the Mail Management software

(CMS replacement) or for extensive ongoing onsite support from the vendors; however, but they do include $720,000 of the FY85 Program Supplemental being requested to prevent interruption to installation and training activities.

Question #2:

You assert that increased reliance on Senate Computer Center personnel for user training will reduce a "potential" requirement of $2.1 million for this purpose to $1.1 million.

A. What is the current cost of user training, both "in-house" and vendor-provided?

Mr. Chairman, through April 1985, we have paid over $925,000 to the office automation vendors for user training with no "in-house" training provided. We incur costs of approximately $150,000 per month for the systems which are currently installed. In FY 1986, as additional functions are provided, specifically the CMS replacement, or Mail Management, annual costs are expected to rise.

B. How were the "potential" cost of $2.1 million and savings of $1.0 million determined?

A comprehensive training cost analysis was recently conducted to evaluate the total costs for training. The potential cost of $2.1 million, plus some additional hardware costs, include the costs of training the initial population of Senate staffers, as well as projected staff turnover, for word processing, records management, spreadsheet, mailing systems, and casework. If the Senate Computer Center hires four instructors and assumes word processing training, there would be a net reduction of $800,000. By adding four persons and converting the training to Computer-Based Training (CBT), a minimum of an additional net $300,000 would be saved. These are conservative estimates of savings. As the Computer Center assumes the training for other courses beyond word processing, then additional savings totalling over $1 million per year could be realized.

C. Can we expect that positions necessary for user training by the Senate Computer Center could be filled by a reduction in positions in other departments of SCC? I would point out that you already have more people in SCC than in the entire Congressional Budget Office, and you're asking for 23 more, for a total of 246.

The increased workload which the Computer Center has experienced over the past 18 months has had an impact on all divisions of the Computer Center. We are, in our request for 23 additional persons, asking for staff for all areas. Without disrupting service to other authorized programs, we are unable to fill the positions necessary for user training by reducing positions in other areas of the Computer Center.

Question #3:

A. Your justification documents again plead for eight positions deferred by this Committee last year while waiting for your consultant's report. You go on to say that "expensive outside service contracts have been issued as a result of non-appropriation of additional staff resources in FY85." This is an example of the danger of viewing such matters as "entitlements." This Committee deferred funding for the eight positions requested to save money, not to promote greater expenditures by resorting to outside contracting. Please specify the exact cost of these contracts, the service provided, the source of funding for them, the impact of that transfer on the program for which the funds were originally budgeted, and the requirement for the services provided.

Mr. Chairman, the outside service contracts ~~which we~~ have been issued ~~are~~ for the office automation program. ~~which, as I described to you earlier, is more or less an entitlement program~~. Members are authorized to select a system, and the Computer Center has been charged with the responsibility to coordinate the installation. This includes installing cable, providing training, and offering follow-up user support and hot-line services. We currently have contracts with two firms to install cable, with obligation totalling over $580,000. We have incurred training expenses from the vendors of more than $900,000 with additional monthly charges to accrue until we take over training. Finally, we have contracted for vendor-provided in-office user support and telephone hot-line service at a cost in excess of $300,000, a contract expected to increase to $1.8-$2.0 million in FY86.

The eight additional people we had requested would certainly not have eliminated the need for these contracts, but could have lessened the impact by providing the Center with additional resources for management of this massive new information services program. The services received from these contractors are all part of the authorized office automation program. The funding for these programs came both from funds appropriated for the office automation program as well as other areas within the Computer Center's budget. Judicious purchases in FY84, authorized by the Committee on Rules and Administration, and funded through a reprogramming approved by the Committee on Appropriations, freed-up appropriated FY85 funds. In addition, the reduced demand for computer terminals, as a result of offices receiving office automation facilities, has allowed us to gradually reallocate funds from this area. The biggest impact these contracts have is that they take funds originally anticipated for office automation and committee computer hardware and software. The program supplemental being requested by the Committee on Rules and Administration will allow us to continue the installation of equipment. Without the supplemental, installation currently scheduled for July through September of this year will have to be deferred until October 1, 1985, when the new fiscal year begins.

B. You indicate that the Application Development division is requesting additional staff to support office automation users and avoid higher charges from vendors. How many positions, at what cost, are being requested in FY86 for this purpose? What is the current number of positions, and their cost?

Mr. Chairman, we are requesting three positions in the Applications Development Division to support office automation users at an annualized cost of $129,000. We currently have two development persons assigned to support the office automation program. These positions are the equivalent of a GS-12/13, for which the salary range is $31,000 to $49,000.

C. Are any new positions requested for the "strained" administrative support groups?

Mr. Chairman, we are also requesting one additional position for the administrative support group. In implementing the recommendations of the GENASYS Resource Management Study, additional management and supervisory positions were created through internal reorganization, unfortunately, but necessarily, at the expense of technical positions within development groups. The formal request for funding of the new Deputy Assistant Director position in the Applications Development Division will result in recreation of a senior technical position within the administrative support group.

Question #4:

Please provide the Committee with a complete listing of all offices in which automation systems have been installed as of May 1, those planned for installation in the balance of FY85, and those budgeted for installation in FY86.

Answer #4:

Mr. Chairman, as of May 1, 1985, 93 member offices had made a selection of office automation equipment. The remaining seven include Senators Burdick, East, Gramm, Matsunaga, Proxmire, Stennis, and Zorinsky. Of the 93 which had made their selection, all but six had systems installed. The six offices without equipment as of May 1, 1965, included Senators Harkin, Kerry, McConnell, Pressler, Rockefeller, and Weicker. We are projecting that of the seven offices which have not selected, three will choose systems in FY85 and one more will make a selection in FY86. Thus, by the end of FY85, 96 Senators will have office automation equipment installed, and by the end of FY86, there will be equipment in 97 member offices. As for the committee computer program, as of May 1, 1985, there was equipment in the Armed Services Committee and my office, the Office of the Sergeant at Arms. In addition, there is equipment installed as part of the pilot test in the Committee on Rules and Administration and in the offices of the Secretary of the Senate and the Senate Legal Counsel. Other committees and offices which are expected to have committee computers installed during the remainder of 1985 include Agriculture, Aging, Commerce, Democratic Policy, Ethics, Foreign Relations, Government Affairs, Majority Leader, Minority Leader, Republican Policy, and Veterans Affairs. We anticipate an additional nine committees will select equipment during FY 1986.

Senate Computer Center - LEGIS Service

Question #5:

A. The LEGIS service of the Computer Center has been known to "sign off" while the Senate is still in session. This happened most recently during consideration of the budget resolution, when votes in the last hours of consideration were of great interest to users. What is the policy for provision of this service when the Senate is in late session, and what steps will you take to make sure that the Computer Center remains on line during all hours of Senate session?

Mr. Chairman, the LEGIS service is normally available to the Senate from 7:00 a.m. until midnight. When the Senate is in a late session, the system is available until 1 hour after the Senate adjourns. The Bill Clerk in the Office of the Secretary of the Senate advises the Computer Center when data entry has been completed and the system can be brought down before the session ends. If the Senate is going to be in session past 2:00 a.m. or 3:00 a.m., the Bill Clerk will advise the Computer Center if the system is to be brought down before the session ends. The LEGIS service is brought down each night to allow batch processing to occur. This provides for the updating and backup of critical data files; if not run, the LEGIS data bases would not have the most current information the next day. All of these policies are in effect now, but could be rendered inoperative if, in a particular night, there was a hardware or software failure in the computer systems. A system failure did occur recently, on the night you refer to, and caused LEGIS to be unavailable for approximately 35 minutes when the Senate was in late session. Such system failures are rare, however, as evidenced by a 99.4 percent availability for LEGIS during the prime shift of 8:00 a.m. to 6:00 p.m. Statistics are not maintained for total availability, but if they were kept, they would not likely show a higher availability since most hardware and software problems occur during the day.

B. There have also been instances when the Computer Center has signed off even though a specific request had been placed by a Committee to remain in service to handle urgent Committee business. Last year, for example, this Committee requested that the Computer Center remain on line after Senate hours so staff could process the paperwork on the continuing resolution. While service was maintained for several hours, the computers were closed down before the work could be completed and some material was lost. The remaining amount of work had to be done by hand and cost us more time in preparing the conference report for floor consideration. Is there some way you can make sure that the computers will remain online as long as a Committee requests them?

Mr. Chairman, the policy of the Computer Center is, to the best of our ability, to make the system available to users when they are needed. Various systems have varying levels of service availability. For instance, ATMS is normally available from 7:00 a.m.-midnight, Monday-Friday and from 7:00 a.m.-10:00 p.m. on Saturday. Based on special requests from users for extended service, this system is kept available beyond midnight as well as made available on Sundays. There are some exceptions to the policy. As stated in the answer to the LEGIS question, hardware and/or software failures will sometimes render any system unavailable. Furthermore, occasionally scheduled hardware and software maintenance may cause us to be unable to keep a system available all night. Finally, there are standard back-up procedures which must be run nightly to ensure that the data files are current and secure. This backup, however, is an interruption of no more than 1 hour and the system could be made available again, prior to the scheduled starting time of 7:00 a.m. Computer Center personnel are aware of the dependence users have placed on the computer systems and will do whatever is possible to satisfy their requests. Over the past 18 months, we have been introducing application isolation to reduce the possibility of failure in one application causing failure in another application. Except for those instances described above as exceptions, the computer systems can be available whenever a user needs them. We will continue to make every effort to accommodate the requests of the Senate user community.

Telecommunications

Part of the $7 million cost for the new PBX is $1 million for the voice store and forward feature. What benefits would this feature render to the Senate to justify this additional cost?

--How will this system compare to those utilized in the private sector?

By the use of the voice and forward technology, the Senators and staff members would be able to handle the increasingly high flow of information that they encounter daily. Through the use of the telephone network a Senator or staff member could activate at any time the voice store and forward system from virtually any touchtone telephone in the world. They then would be able to send, receive, redirect, broadcast to multiple individuals, or reply to a message involving any user in the system. Voice prompts from the system direct the users through the responses. Communications between users of the system could be handled efficiently and effectively without an actual conversation taking place. Sending or receiving of important information would only be a telephone call away, 24-hours a day, seven days a week. Memos and messages could be sent, or received without going back to the office or even calling the office.

The voice and forward capability is a technology that has received wide acceptance in the private sector. Great monetary gains have been realized by reducing paper flow and increasing communicating ability. Users are finding creative ways to use the versatility of the system to meet their specific needs.

Of the $21,835,000 you are requesting for telecommunications expenses in FY86, $13 million is for the new PBX system and for FTS and local service in state offices. What's the balance?

--Since your FY85 base is $10,569, you've obviously come up with some savings if you can take on two major initiatives at $13 million and still have a total request of $21,835,000. What are those savings?

The $1,734,000. savings for the Telecommunications Department for FY 86 over FY 85 will be due to the new PBX System to be installed in FY 86.

However, these savings are contingent upon getting the new PBX System. If the System is not installed then these monies will be needed, and will be requested in a supplemental to cover expenses for local service for FY 86.

SUBCOMMITTEE RECESS

Senator D'AMATO. The subcommittee stands in recess until Thursday at 10.

[Whereupon, at 11:30 a.m. Tuesday, May 14, the subcommittee was recessed to reconvene at 10 a.m. Thursday, May 16.]

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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1986

THURSDAY, MAY 16, 1985

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:02 a.m. in room S–128, the Capitol, Hon. Alfonse M. D'Amato (chairman) presiding.

Present: Senator D'Amato.

LIBRARY OF CONGRESS

STATEMENT OF DANIEL J. BOORSTIN, LIBRARIAN OF CONGRESS

ACCOMPANIED BY:
WILLIAM J. WELSH, THE DEPUTY LIBRARIAN OF CONGRESS
GILBERT GUDE, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE

OPENING REMARKS OF SENATOR D'AMATO

Senator D'AMATO. The subcommittee will come to order. This morning we will continue our hearings on the President's fiscal year 1986 budget request for the legislative branch by receiving testimony from our Librarian, Dr. Daniel J. Boorstin, a good friend, and the Architect of the Capitol, George White.

Before proceeding to Dr. Boorstin's testimony, I want to make the general comment that both of you gentlemen are requesting significant increases for your operations at a time when the Senate has just culminated 4 months of efforts to make substantial reductions in the legislative branch funding.

If we are going to see mass transit operating subsidies reduced, if we are going to see Amtrack service reduced, if we are going to see UDAG's completely eliminated—of course, they are not, they have been put back in—the fact is in the operations of the legislative branch, we are going to have to make an effort to reduce these expenditures, as well.

PREPARED STATEMENT

I will ask that the rest of my statement be included in the record as if read in its entirety.

[The statement follows:]

OPENING STATEMENT OF SENATOR D'AMATO

The subcommittee will come to order. This morning we will continue our hearings on the President's fiscal year 1986 budget request for the legislative branch by receiving testimony from the Librarian of Congress, Dr. Daniel J. Boorstin, and from the Architect of the Capitol, George M. White.

Before proceeding to Dr. Boorstin's testimony, I want to make the general comment that both of you gentlemen are requesting significant increases for your operations at a time when the Senate has just culminated 4 months of effort with a budget package making substantial reductions in legislative branch funding. If we are going to see mass transit operating subsidies reduced, if we are going to see Amtrack service reduced, if we are going to see UDAG completely eliminated, then the operations of the legislative branch will have to make their contribution to the deficit reduction effort too. That means all operations will receive very close scrutiny; few, if any, will receive any increases; virtually everything will be cut back; some things may be eliminated entirely.

With that, Dr. Boorstin, please proceed with your statement on behalf of your request for a 5.7-percent increase in your budget.

LIBRARIAN'S STATEMENT

Senator D'AMATO. At this point in time, I ask Dr. Boorstin to proceed.

Dr. BOORSTIN. Thank you, Mr. Chairman. We are pleased to be here today to present our annual 1986 budget request and to present the 1985 supplemental request.

Last year, the Congress approved two Library of Congress capital projects, providing for the future of the Library of Congress as we move into a new century.

The first, the renovation and the restoration of the Library of Congress Thomas Jefferson and John Adams Buildings under the direction of the Architect of the Capitol, has already begun. The second, the mass book deacidification facility, is on schedule. An architect has been engaged by the Army Corps of Engineers, and final plans and drawings are underway for both the facility and the sophisticated equipment that will be installed. We appreciate the committee's support for this historic enterprise, which I think will be the first time in history that a facility has ever been built for preserving knowledge and books.

During this and the following year, we will be marshalling our administrative resources to ensure the most economical and effective use of the appropriations which Congress has made available for these essential projects.

Meanwhile, the use of the Library of Congress and its collections is at an all-time high. We are happy to report increases in research and reference service to the Congress, libraries, the scholarly community, and the Nation.

The budget before you reflects our growing needs, while at the same time taking account of the fiscal realities to which you have referred.

Our request for fiscal 1986 is for $253,129,000, which includes authority to obligate $10.3 million in receipts for a net total of $242,829,000, an increase of $13,076,000, or 5.7 percent. Seventy-two percent of the increase is to maintain the current level of service. I will highlight some of our requests.

OVERSEAS ACQUISITION PROGRAM

Two major programs require special attention this year. First, I would like to discuss an item under the Program for Preparation of Books. As you know, Mr. Chairman, for over two decades the Library of Congress has had overseas acquisitions centers, several of which were funded through the use of excess foreign currency. Our first, and most important, center was in New Delhi. Not only have we acquired library materials for the Library of Congress, but for over 250 U.S. libraries across the Nation.

Last year we were informed by the U.S. Department of State that excess currencies in India would no longer be available. Because of the critical importance of the materials we acquire through this program from India, Bangladesh, Nepal, Sri Lanka, Thailand, Bhutan, and the Maldives and the increasing importance of these areas in policies and the economy of the world, we are requesting that this program now be funded with U.S. dollars. Not only do we acquire library materials from these countries, but we catalog and preserve them, thus realizing economies through the use of local staff.

Anticipating the depletion of the U.S. account in Indian rupees, we have scaled down the program to a bare minimum of $1 million from its 1985 funding level of over $2 million; we have cut it in half.

We have notified participating libraries to expect to begin paying acquisitions costs themselves for materials they want to receive. I cannot emphasize enough the importance of this information-gathering effort, which is unique in the Nation and in the world.

The program is vital to our Nation's understanding of a vast area of the world which includes one-fifth of the global population.

AUTOMATION ACTIVITIES

Second, Mr. Chairman, we are giving special attention to our automation activities. We are requesting funds and positions to develop and maintain an automated serials management system. The Library receives more than 150,000 titles of periodical publications, 2 million items annually. Our current serial record file has become too large and, consequently, unmanageable. Development of this automated system will consolidate management and control data in one file accessible to all Library users.

We are requesting funds to lease or purchase 496 additional ADP work stations and 51 microcomputer workstations. Three hundred of these will be used substantially to complete the automation of book cataloging, and the balance will be located throughout the Library.

Mr. Gude will address the Congressional Research Service's needs for the microcomputers we are requesting for his department.

In the future, we propose to pay for purchases or lease of such equipment directly from the CRS, Copyright, or Books for the Blind and Physically Handicapped appropriations when it is not integrated into the Library's central system. In the past we have been limited to leasing their equipment from these appropriations. We are continuing to give automation priority to the implementation of the automated image handling for page images on digital optical disks and for the prints and photographs collections on analog video disks. We are encouraged by the possibilities we have already realized for the Optical Disk Program and we will keep this committee informed of our progress.

Our public reading rooms in the three Library of Congress buildings are the major centers of scholarship for area studies, special collections, and serial and Government publications. Growing collections require staff to process and maintain special format material and to service and maintain foreign language collections. We are requesting nine positions for special collections divisions and three new positions for area studies divisions to assist in processing and servicing their growing collections.

COLUMBUS CELEBRATION

As we approach the 500th anniversary of Columbus' voyage in 1992, Congress has mandated us at the Library of Congress to prepare to commemorate the momentous event. Two positions are requested to enable the Library of Congress to plan its own celebration and to provide in the Library a center to serve the Congress and the Nation in planning for the jubilee. Our collections contain many rare items on the discovery, exploration, mapping, and description of early America. They are unexcelled in the Western Hemisphere as the resource which can make the Columbus Jubilee a significant educational and patriotic event.

Requests for workload increase in the Copyright Office are to process additional claims resulting from a new law for the protection of semiconductor chips. In addition, we will be offering a technical amendment to the appropriation language for the Copyright Office which will allow us to use $750,000 in fees in lieu of appropriations, thereby reducing the appropriation by that amount.

The Library has long taken pride in its National Library Service for the Blind and Physically Handicapped and especially in the Service's ability to manage a national program with a minimum staff. To meet increasing consumer needs, we are requesting additional positions to work with readers and network libraries.

Mr. Gude will present the requests of the Congressional Research Service.

By the efforts of our devoted, talented, and hard-working staff, the Library has become the Nation's and the world's library in an age when free access to knowledge and freedom of information are increasingly menaced.

Our efforts could not have borne fruit without the sympathetic and consistent support of the Congress. Mr. Chairman, we want to thank you for that support.

We are here to answer any questions the subcommittee may have.

CRS DIRECTOR'S REMARKS

Senator D'AMATO. Thank you.

Mr. Gude?

Mr. GUDE. Thank you, Mr. Chairman. It is a pleasure to be here. It is always a pleasure to discuss our budget request with this committee. I will be brief and not dwell on our performance last year. A statement which outlines that will be offered for the record. I will, however, summarize last year for CRS with one word: "More." More reference services, more analytical studies, more subscribers to our automated information systems, more usage of our prepackaged information system, our InfoPacks, and more of just about everything.

Our workload increased by 6 percent to a record total of 442,000 queries. That startling number addresses the bottom line questions asked of any support agency: Are you providing a genuinely needed and used service? As we approach fiscal 1986, may I first say, I see nothing on our horizon to indicate any lessening of the CRS workload. Indeed, given the complexity and difficulty of policy and budget option decisions facing Congress, the reverse is almost a certainty.

Accordingly, the request before you represents my best judgment as to what resources the CRS needs to continue to operate efficiently and effectively on behalf of the Congress.

We are asking for an increase over last year of $2,542,000 and nine new positions. Fully 73 percent involves mandatory increased costs, salaries, increased cost of equipment, and services.

The remainder, approximately $667,000, is targeted for the strengthening of what is currently a very modest microcomputer technology capability.

We have studied the microcomputer technology area very carefully over a period of several years and evolved a tightly structured plan for wider, genuinely efficient use of this analytical tool.

Eight of the new positions requested are focused in the computer technology area. The other position is for a professional librarian badly needed in our very busy Senate Reference Center which, of course, has expanded in the last couple of years.

Obviously, Mr. Chairman, I am aware of the current budget crunch in Washington. Long before this hearing, I pared down significantly our list of emminently reasonable and worthwhile requests submitted by our Research Division and Reference Division chiefs. I am requesting an increase in our resources only because I am convinced that unless we augment our microcomputer capabilities and place that technology in the hands of trained analysts, we will inevitably see slippage in our ability to provide Congress the information and research it has a right to expect.

At this time, it needs the best we can offer. Thank you, Mr. Chairman.

[The statement follows:]

STATEMENT OF GILBERT GUDE

As always, it is a pleasure to appear before this Subcommittee, Mr. Chairman. Some appearances are more rewarding than others, but they are all a genuine pleasure, for several reasons. First and foremost, I welcome the opportunity to provide the Subcommittee a status report on CRS.

Last year -- when have you heard this before -- our workload increased by six percent, and an all-time high of 442,000 congressional inquiries were handled by our research, reference and bibliographic staff. It is especially interesting, I think, to note that when one examines the breakdown of CRS use by party and region, the mix is very balanced--almost a mirror image of the actual makeup of the Congress. In the Senate, for example, queries placed by Democrats totalled 48,061. Queries placed by Republicans totalled 48,559. Requests to conduct major studies also rose last year, continuing a trend which became evident in 1980. Since FY 1980 there has been a 91 percent increase in CRS major project activity. These two factors -- a significant overall workload increase and increased requests for and acceptance of CRS major study projects -- offer persuasive evidence of the high quality of the services we provide.

As an indication of the breadth of appreciation for CRS studies, may I quote from a letter received by William C. Gibbons, a specialist in our Foreign Affairs and National Defense Division, on the publication of the first portion of a comprehensive Vietnam study -- which is a ground-breaking analysis of the complex legislative-executive relationships of that era. William H. Sullivan, president of the prestigious American Assembly, wrote:

> "Congratulations on a first-class piece of work in the 1961-65 volume of your study on Vietnam. It is far and away the most complete analysis I have seen..."

Dean Rusk, former Secretary of State, also commented on this study: "The study shows very thorough research and I compliment the diligence of those who have been working on it..." The second volume of this four part project was printed and released by the Senate Foreign Relations Committee in February.

Much closer to home is a letter sent to me from Chairman William D. Ford, of the House Committee on Post Office and Civil Service, last December. He wrote:

> "I commend you and the staff of the CRS for building the organizational capability and committing the resources necessary to produce "Designing a Retirement System for Federal Workers Covered by Social Security"... Your work does far more than just provide a framework within which the Congress can address the legislative task at hand. Through your commitment to this project, the knowledge and expertise of numerous CRS analysts have been expanded and will be available to all members of Congress..."

These letters and others like them indicate, among other things, that the special efforts we made last year to strengthen our review procedures and conduct refresher training for all CRS staff on the importance of adhering to CRS's objectivity and non-partisanship standards have paid dividends. Similarly, training sessions for new and existing CRS staff have reduced incidents of seeming duplication of effort with other support agencies to a virtual zero. A letter we received from Chairman James R. Jones, of the 98th Congress House Committee on the Budget, cogently addressed this point. He stated:

> ...In late July I asked the CBO to do a study of the economic effects of the U.S. adopting restrictions on the importation of copper, as had been proposed by the U.S. International Trade Commission. I asked the CBO to deliver its results to me in one month, in order to be of use prior to the administraion's scheduled decision on this issue. The CBO was able to deliver a useful study, in such a short period, in part because its staff was aware of a related CRS study which had been in progress for some time. Thus the CBO was able to use some of the CRS results in preparing its response to me. ...Such cooperative efforts not only will lead to better results but they will help to eliminate unnecessary duplication among these agencies.

In this context, Mr. Chairman, I want to make special note of the fact that coordination between our administrative support staff and that of the Library has expanded and become routinized, resulting in streamlined joint administrative operations, and a shift of some activities in the Library of Congress' travel and personnel offices.

For the second time, Mr. Chairman, we teamed up with the Brookings Institution and the American Enterprise Institute to conduct a three day seminar in Williamsburg, Virginia for newly elected Members of Congress. Twenty-three Members participated in the event which was funded, as was the seminar for new Members in the 98th Congress, by a generous grant from the Henry B. Luce Foundation. I know you have a personal interest, Mr. Chairman, in the values inherent in dialogue and discussions in a retreat environment, and I wanted to bring it to your attention. All our conference evaluations were quite positive.

The budget submission before you is quite straightforward, Mr. Chairman. Overall we are asking for an increase over last year of $2,542,000, and 9 new positions. Fully 73 percent of the proposed increase involves mandatory personnel costs, inflation and workload level increases. The remainder, some $667,003, has to do with a very modest continuation of a process begun this year, namely the introduction of microcomputer technologies to the Service. Eight of the new positions requested involve the microcomputer effort. The other position is for a long-perceived need to add a mid-level professional librarian to bolster our Senate Reference Center staff. When one eliminates increased costs of personnel and services from our request, the increase we are seeking represents only 1.6 percent of our total budget. Only my conviction that the increases are genuinely and urgently necessary for the orderly and effective conduct of the Service prompts me to request the increase. Microcomputers are not the wave of the future -- they are here and now. They have become vital tools for modern, sophisticated public policy analysis. We are at the threshhold of a substantial strenghtening of the capabilities of our professional staff by the addition of microcomputers to their workstations and, as you know, have made a very modest start along these lines this past fiscal year. We have studied very carefully the operation of these microcomputers and have instituted management controls to assure that we have the most economical and efficient distribution of responsibilities among the divisions, the Service, and the Library. Frankly, Mr. Chairman, it would be particularly distressing if we could not continue the beginning we have made in this vital area of enhanced capabilities, since we are already behind our colleagues in the executive branch. One illustration: an organization which performs work similar to our Education and Public Welfare Division, the Office of the Assistant Secretary for Planning (ASPE) at the Department of Health and Human Services, provides each full-time professional staff member and each support staff member with a computer -- a total of about 100 microcomputers. We have a few personal computers on board already in heavy use analyzing complex foreign and domestic issues, but we still have a long way to go. As of today, for example, the CRS Education and Public Welfare Division has only three supporting the work of professional staff members.

To summarize, Mr. Chairman, I am mindful of the myriad, complex issues the 99th Congress faces — international trade, defense, agriculture, healthcare costs, Latin America, to cite a few — and I fully appreciate the pivotal role appropriations decisions play in the Congress's ability to address these tough issues.

I am convinced that microcomputers will significantly strengthen our research capabilities — at the very time Congress has greater than ever need for those capabilities. Delays in broad-scale introduction of these tool can only result, in my opinion, in a steady erosion of the cutting edge of research and analytical expertise we make available to Congress.

This completes my presentation, Mr. Chairman.

Thank you.

RESTORATION AND RENOVATION PROGRESS

Senator D'AMATO. Thank you.

Let me ask you, Dr. Boorstin, about the progress that we are making. Obviously, I am going to ask the Architect the same questions, but can you give us an update on the restoration and renovation projects at the Jefferson Building?

Dr. BOORSTIN. I will ask the Deputy Librarian.

Mr. WELSH. Mr. Chairman, we are proceeding on schedule. In 1980, we removed the temporary partitions which were an eyesore in the Jefferson Building. You appropriated $2.5 million for the development of an automatic sprinkler system. That was a critical element. That work is now 99-percent complete. In July 1983, $750,000 was appropriated to repair the Jefferson exterior entrance and steps. Work on the steps and Plaza has been completed. Small amounts of work remain on the fountain.

In 1984 you appropriated $500,000 for elevator modernization. That work has begun.

In 1984 demolition construction work began on the fourth floor of the Adams Building that has involved a major move for us. Interim space occupancy began, both in the Jefferson and Adams Buildings. We are on schedule.

Senator D'AMATO. When do you expect it to be completed, and do you expect to do this within budget?

Mr. WELSH. I think, sir, that question would be more appropriate to Mr. White.

Senator D'AMATO. I thought you had been talking to him.

Mr. WELSH. We have been talking to him. I can't speak in detail about the budget estimates, because that is clearly in his area. It will take him 5 to 7 years to complete the whole project. It is a monumental effort to repair and restore both of those major buildings.

DEACIDIFICATION FACILITY PROGRESS

Senator D'AMATO. Doctor, let me ask you about the facility to keep the books——

Mr. WELSH. Deacidification.

Senator D'AMATO. Deacidification. How is the deacidification facility?

Dr. BOORSTIN. I mentioned that in my statement. That is proceeding on schedule.

Would you like to speak to that?

Mr. WELSH. Yes, I would, sir. We have completed working agreements with the Corps of Engineers and Northrop Services. The Corps of Engineers has hired an architectural firm to do the final design drawings. Those are expected to be completed in September. Building construction is scheduled to begin in January 1986, and the facility should be ready for operation in 1987.

We have hired chemical process design engineers to coordinate all design engineering aspects. In that process, we have optimized the plant design. We think we can increase the volume from 500,000 volumes a year to 1 million volumes a year. Again, we are on schedule, sir.

Dr. BOORSTIN. Mr. Chairman, if I may add to this, in speaking to other librarians across the country, I found they have already been inspired by this example to see if they could find ways to produce similar facilities for their own libraries.

RECOGNIZE CONSTRAINTS

Senator D'AMATO. Let me put a general question to you. Recognizing the tremendous constraints that we are under with the budget and the fact that we have been mandated to reduce legislative appropriations by some 10 percent, that is going to mean we will have to do some cutting right across the board. It seems to me that given the constraints under which we will have to operate, a project such as the Christopher Columbus project, which is 7 years down the road, could stand to be cut a bit. Obviously, I am mindful of the historic voyage and the celebration of 500 years, notwithstanding what Judge William Hughes Mulligan and the Friends of Sons of St. Patrick suggested, that Columbus, indeed, was an Irishman. [Laughter.]

I still think the appropriate celebration should be undertaken. I am conducting my own historical evaluation of Mulligan's presentation and have been consulting Chez Armen's works on that historic voyage. Notwithstanding Judge Mulligan's presentation, I will have some remarks for the Friends of Sons of St. Patrick on the same subject.

My suggestion would be that shouldn't we, this year, forego the two additional employees? Given the fact that we have come to the point where the Senate has voted to freeze cost-of-living adjustments, social security, and other pension programs, et cetera, I am going to ask you to do a little more sharpening of the pencil in trying to curtail some expenses in a way that will do the least violence to you and CRS, recognizing that obviously there are certain built-in costs which cannot be cut or weakened.

Look at it a little more closely. We are all in this together. If we can do it prudently—and I understand your request—it would make your job a little easier.

Dr. BOORSTIN. We will try to do that, Mr. Chairman. We already tried to do that. But we will go back and take another look.

Senator D'AMATO. Stretch it out; some of these things are going to need that. I think particularly for this year, this is the big year to get over and I think we will. Next year, we may not go back to the former rate of growth, but I think possibly there will be a little more flexibility. I don't think we will come back and cut another 10 percent, but I suggest we are going to make that kind of review.

The Columbus project involves only two jobs. I really think this is better rather than my saying, "No way," if you take a look at that.

Mr. WELSH. May I point out that perhaps the Library of Congress is in a slightly different situation. The Library does grow. We cannot be stagnant. One of our problems is we have to acquire materials and to catalog those materials and then make them available not only to CRS, to scholarship, but generally to the Nation. As you suggest, there are certain built-in costs that are of critical importance to us. We will certainly do as you suggest.

COMMITTEE ON AUTOMATION PLANNING

Senator D'AMATO. Looking at the budget for purchases and lease of the several hundred ADP workstations in the Library, the Congressional Research Service, the Copyright Office, and the National Library Service for the Blind and Physically Handicapped, I am wondering, do you have any centralized entity or management review group that determined the ADP policy and the equipment purchase or lease in order to avoid possibly some uncoordinated duplication or proliferation of equipment? How do we do that?

Mr. WELSH. May I answer that question, Mr. Chairman?

Yes, we do. We have a very strong high-level group called the Committee on Automation Planning, which includes representatives from each of the departments. That is exactly one of their functions, to review overall requirements. Furthermore, in anticipation of this problem, we have just resently approved a 5-year plan to look at future needs in a coordinated fashion.

Senator D'AMATO. How do you coordinate it with the CRS?

Mr. WELSH. Sometimes with difficulty.

That was meant to be a little humorous, Mr. Chairman; sorry.

But we do. There is a member from CRS on the committee.

Senator D'AMATO. I am in a very humorous mood today. [Laughter.]

Mr. WELSH. That is good. There is a member of CRS who serves on that committee. We respect their mission, but we do coordinate our automation activities.

Dr. BOORSTIN. Perhaps we can have a word from Mr. Gude.

Mr. GUDE. We have a chart, here, I can submit for the record, Mr. Chairman. It briefly outlines the coordination between the Congressional Research Service and the Library.

Senator D'AMATO. You need to have good eyes to read this.

Mr. GUDE. Of course the microcomputer is a tool for the individual researcher; its introduction is somewhat like the introduction of the telephone, an instrument that everyone eventually was going to need at their desk and the same is true of the microcomputer.

To give you an idea of how advanced they are in some areas, in the Office of the Assistant Secretary for Planning in the Department of Health and Human Services, each full-time professional staff member and each support staff member has a computer, for a total of 100 microcomputers.

We have—for our Education and Public Welfare Division, which is responsible, of course, for analyzing and researching these policy areas for Congress—we have four microcomputers.

We claim that we do it smarter and better, but we have a tremendous workload for a small number of analysts and researchers, and these microcomputers are just indispensable to keep up these days.

As you know, we have put out a large amount of work analyzing, at the request of the Senate, both the social security system and the pension system. All of this type of analysis requires very large software programs. Otherwise, we could never get them done.

Mr. WELSH. We agree, Mr. Chairman.

Senator D'AMATO. Eight of the nine new positions that you are requesting for CRS are for data processing activities. You are also requesting $424,000-plus for the purchase of ADP equipment, software, and training. If the positions are denied, are you still going to need the equipment?

To put it another way, if I give you the equipment and you don't get the positions——

Mr. GUDE. Well, the equipment, our higher level analysts and researchers could undoubtedly use the equipment, but they could not use it as effectively, if you have a research assistant who can run the equipment while the analyst is putting his time to analytical work.

Senator D'AMATO. If I were to ask you for your priority, you would say, "Give us the equipment as opposed to the new positions"?

Mr. GUDE. Yes, yes.

SERIALS MANAGEMENT SYSTEM POSITIONS

Senator D'AMATO. In your preparation of books activity, you are requesting seven positions for a serials management system. Can you explain why it is necessary to create Government staff for this work rather than indefinite positions? How long will this project last and what is its total cost?

Ms. Avram. The development for the project will take about 7 years. The reason we are requesting staff for the Library of Congress is, it requires internal staff to work closely with the users and with other analysts in order to be able to develop a system that will be useful to the Library.

Serials are a main tool of the Library. What we need is one file that all units of the Library can access. At present we have a complete manual system involving approximately 60 separate files. We are trying to manage 800,000 titles and it is very difficult.

What we have now is insufficient ability to route titles to the proper place; insufficient ability to claim titles, and therefore, there are gaps in our collections. Having serials file automated would provide a better service to scholars, to CRS, and to Congress itself.

There are many titles; over 800,000 that eventually must be converted. That conversion will be contracted out over a period of about 15 years, and, therefore, the total cost of the project including this conversion and the development effort will be approximately $4.5 million over a period of 15 years.

Senator D'Amato. Do you need all seven positions to start?

Ms. Avram. We will not be able to hire seven positions to start. It takes time to hire them.

Senator D'Amato. Good.

Ms. Avram. It will take a period of time to get the project underway.

Mr. Welsh. Perhaps we could compromise and reprogram some of the positions.

Senator D'Amato. No. We are in tough shape. Let me tell you, when I need Drug Enforcement agents nationwide and I have battles with the administration because they think we are winning the war on drugs—I don't think there is any person in this room that could believe it—and we really need a total effort in education, rehabilitation, and law enforcement; when DEA is denied one additional position, one, I tell you, we better take a look at this.

If you get any increases, judge it in relationship to the other areas. I think it is scandalous that we don't do more. We don't double and triple our efforts in drug enforcement, education, rehabilitation. We are losing everything.

We lost domestic tranquility. We are losing our young people. The Nation is suffering tremendously. There should be no compromise on some of these, given their magnitude.

We recognize that you have a job to do, but we have to make these choices. Some of them are going to be hard. We want you to undertake that work, we want you to begin, but we cannot start this year at a level that would be most desirable. It is not going to happen.

SEMICONDUCTOR CHIP CLAIMS

In view of less-than-anticipated claims for protection of semiconductor chips, do you still believe the five new positions are required in the Copyright Office?

Dr. BOORSTIN. Ms. Grace Reed will speak to that.

Senator D'AMATO. Come on over and sit down. We have all these women sitting in the back. We will file an equal rights violation. Sitting on the back bench, that is not right.

Dan, you could get into trouble for that.

Ms. REED. That initial request is based upon the estimates that we have of the number of chips that would be coming into the Copyright Office for protection. Early on, we had received 25 to 30. That has since increased to 112 claims. We still are not able to determine the bulk of material coming in. To date, we can handle that on a project-by-project basis. We have a hard time supervising the unit in that the registrations are so complex.

Senator D'AMATO. What do you need, a supervisor?

Ms. REED. It really is impossible for us to estimate how much we will have. There are some matters in litigation at this point. We really, at this point, are unable to determine what the volume is going to be. As we currently announced, we are handling it now with the current staff that we already have. If they triple, quadruple, quintuple, I don't know whether that would be possible.

Senator D'AMATO. Right now, has it presented a severe problem to you?

Ms. REED. No.

Senator D'AMATO. Thank you for your candor. Why don't you let us know? In the event you have a problem, we can deal with it. OK? Thank you very much for your candor. I appreciate it.

PREPARATION OF BOOKS

What accounts for the substantial increase in the workload for "Miscellaneous other services" in the "Preparation of books" account?

Mr. WELSH. That is the item that relates to the transfer of the Indian program from foreign currency to U.S. dollars. There is an offsetting reduction, however, in the amount of the Indian rupees we will have. We have scaled that program down by $1.3 million.

Senator D'AMATO. So that $230,000 comes about as a result of the——

Mr. WELSH. Of the scaling down and transfer from one program to another program.

Dr. BOORSTIN. Mr. Chairman, may I just suggest that this is the major source of information about India and the basis for American scholarship from this area of the world.

Senator D'AMATO. You are requesting $60,895 for preparation of books alone for tuition and training of personnel. Please provide us with your total budget expenses for this purpose by appropriation account, the number of individuals you anticipate will participate in the program and the types of programs attended.

Mr. WELSH. We can supply that.

CRS CONFERENCES

Senator D'AMATO. We may have a couple of other questions for the record that we will put to you, but I have one last one here. For many years CRS has posted conferences both in and out of town which have become quite popular, both for their content and for the hospitality shown to the participants in some of the more exotic locations.

Mr. GUDE. Mr. Chairman, I think some of those exotic places are like Hagerstown, MD; we go to Washington College over on the Eastern Shore, which is a backwater—I hope there is nobody here from there. Exotic is in the eyes of the beholder.

We also have some entertainment, but it is not at public expense. We have the Distilled Spirits Program, where we have confiscated spirits.

Senator D'AMATO. Confiscated spirits?

Mr. GUDE. Confiscated spirits. To the extent there is entertainment, that would be it.

Senator D'AMATO. I am going to ask you if you would not prepare an analysis of that program for fiscal year 1984 through 1986 that would display the number and kinds of seminars sponsored, the costs, the funds used to pay for it, and their attendance. This way, we would do away with any of those misconceptions that some might think that these exotic places be Tahiti. Is Tahiti an exotic place?

Mr. GUDE. Mr. Chairman, we will do that. We will be glad to do that every year.

Our new members seminar at Williamsburg has been underwritten by the Henry Luce Foundation which covers all costs. We conduct this in conjunction with the American Enterprise Institute and Brookings Institution.

Senator D'AMATO. What about fairly new?

Mr. GUDE. Fairly new members?

Senator D'AMATO. Fairly new members? [Laughter.]

Mr. GUDE. They don't have the time. They never can get away. We do have a program coming up June 13 to give you an idea of the kinds of timely programs that we do, a major staff seminar on prison overcrowding. Also a program is upcoming on crimes and drugs.

Senator D'AMATO. You have one coming up on crimes and drugs?

Mr. GUDE. Yes.

Senator D'AMATO. When is that?

Mr. GUDE. I don't have the date.

Senator D'AMATO. Would you let the office know?

Mr. GUDE. Yes.

Senator D'AMATO. How come we weren't invited?

Mr. GUDE. When we have the date, we will invite you.

Senator D'AMATO. Will you make sure I don't get one of these interoffice memos that comes 2 weeks late?

Mr. GUDE. We will see you get it personally.

Senator D'AMATO. I have been invited to many things, but I get the invitations in the mail after the event. That is a terrific one. That is like when I return a phone call at 12 o'clock. You know what that means. Maybe I didn't want to talk to you.

NONDEPARTMENTAL WITNESSES

A number of interested organizations were unable to appear but have submitted written statements for the hearing record. Without objection, they will appear at this point in the record.

[The statements follow:]

Letter From Eileen D. Cooke, Director, American Library Association Washington Office

May 31, 1985

The Honorable Alfonse M. D'Amato, Chairman
Legislative Branch Subcommittee
Committee on Appropriations
U.S. Senate
Washington, D.C. 20510

Dear Senator D'Amato:

This letter is submitted on behalf of the American Library Association, a nonprofit educational organization of nearly 40,000 librarians, educators, trustees, and other friends of libraries, dedicated to the improvement of libraries and information services for all citizens. We request that it be made part of the hearing record on appropriations for the Government Printing Office.

It is because the Association believes that the American public should have access to materials printed at public expense and because of our knowledge of the value of government publications, that we support the Public Printer's request for $28,868,000 for FY 1986 to carry out the various programs of the Superintendent of Documents. In this letter, we want to support funding for the revision and updating of Monthly Catalog records, and for bringing operational procedures in line with such revisions. We also want to say how pleased we are that the new Public Printer, Ralph E. Kennickell, Jr., has already committed himself to continue to improve the depository library program. We applaud the filling of long vacant positions in the Library Programs Service, enhancements to the LPS acquisition and distribution systems through greater automation, and his commitment to an increased marketing effort to improve awareness and access to government information.

We hope that Mr. Kennickell will bolster GOP's role as an advocate for the collection and dissemination of government documents to the public. The December 1984 General Accounting Office (GAO) report, Government Printing Office's Depository Library Program, concluded that GPO has made a significant improvement over prior periods in the operation of the depository library program by reducing the backlog of documents to be classified and cataloged; that GPO's efforts have increased program efficiency; that program personnel are generally dedicated to providing a high level of service to the depository libraries; and that the services provided by the program generally meet the needs of depository libraries as well as the demands of the public for most government documents.

However, GAO also found a number of activities where program efficiency and effectiveness could be further improved. Specifically, GAO states that more attention should be given to identifying agency publications for inclusion in the depository library program, the GPO needs to further reduce its backlog of publications awaiting classification and cataloging, and that steps should be taken to improve the timeliness and accuracy of GPO's processes for distributing publications to libraries.

The American Library Association supports a program to review and update retrospective GPO cataloging records on the OCLC (Online Computer Library Center) data base. We believe that a program to increase the quality and accuracy of GPO's retrospective cataloging records is a cost-effective use of tax funds. The money spent will enhance the value of existing federal documents collections, and will eliminate wasteful and duplicative expenditures by individual depository libraries. Availability to local libraries of high quality bibliographic records improves public awareness and use of federal documents materials.

When cataloging records are included in main library catalogs, use of material has increased significantly. For example, a story in the January 21, 1985 Library Hotline told how the Pennsylvania State Library COM (computer output microfilm) catalog is boosting the use of government documents in the state library collection of GPO publications -- one result of the introduction of GPO cataloging records into the library's COM catalog. The COM catalog now contains GPO records received since 1976, plus the library's records from its OCLC tapes, going back to 1973. As a result, within a year, interlibrary loan requests for

GPO publications have increased by 123 percent and overall document use is up 186 percent. The COM catalog has been distributed free of charge to some 90 academic and governmental libraries throughout Pennsylvania.

The depository program has improved a great deal in recent years; however, the rapid changes in the information environment demand further improvement and strong congressional support for the depository program. The approximately 1,380 depository libraries, most of them designated by members of Congress, make government documents freely available to the general public in a joint venture between the Government Printing Office and the depositories. Depository libraries have additional responsibilities to retain one copy of all government documents made available and to provide interlibrary loan, reference service, and assistance to regular depositories in their region. All other depository libraries are selective depositories: they choose from a classified list of series and groups of publications which best meet the needs of their users, subject to space and service limitations.

Last year when we wrote to support the FY 1985 GPO appropriation, we urged GPO to make the design and implementation of the Federal Documents Data Base a top priority, and to include in-house development and existing software packages where appropriate. We are curious to know if a study of the design and implementation of such a data base has been conducted, and if so, what the results of the study were.

As you know, the federal government is moving rapidly to the increased use of information technology and increasing numbers of government publications are available only in electronic format. ALA urges congressional support for the implementation of the recommendation of the Ad Hoc Committee on Depository Library Access to Federal Automated Data Bases that the Joint Committee on Printing and the Superintendent of Documents initiate a pilot program in which depository libraries will receive federal information in electronic form and provide it to the general public free of charge. The proposal for such pilot projects is described in the Ad Hoc Committee's report, "Provision of Federal Government Publications in Electronic Format to Depository Libraries" (December 1984). In recommending guidelines for the selection, planning, and evaluation of the pilot projects, the Committee has identified the following criteria: willingness of federal agencies to publish in electronic format, availability and value of publications, methods of distribution, formats, costs, adherence to standards, and provision of "easy-to-use" sofeware. Criteria for selection of libraries for the pilots should include geographic location, types and size of libraries, willingness and ability to participate in the pilots, and requirements for equipment and staff training. In monitoring the pilots, attention should be given to organizational relationships, potential for joint public/private sector efforts and cooperation and study of the impact on users.

We recognize that the trend to more government information being maintained only in electronic format offers the potential for cost savings to the government, but we want to assure that the public continues to have access to this government information at a cost that is affordable for individuals and libraries. We hope that the members of the subcommittee will analyze the Office of Management and Budget's proposed policy circular on the management of federal information resources which was published in the March 15 Federal Register for public comment. Our preliminary review of the proposal indicates an alarming potential for restricting public access to government information and for limiting the amount or information which will be disseminated by federal agencies, and therefore available for inclusion in the depository library program.

The philosophy behind our position has been expressed on numerous occasions. ALA believes that a democracy has an obligation to make available to its citizens the results of its actions, including its information collecting activities and its research and development efforts. It simply makes good sense to encourage citizen awareness of fundamental government policies and activities. ALA urges that government publications not be priced out of the reach of nonprofit libraries whose users often have no other access to these fundamental tools of democracy.

American libraries are being hit on many fronts in the current budget blitz. For the fourth year in a row, the President's budget has recommended zero funding for the Library Services and Construction Act, and Title II of the Higher Education Act which funds academic library programs. When these proposed federal cuts are combined with state and local cuts and escalating telecommunications and postal rates, the cumulative effect on libraries is devastating. Fortunately, in fiscal 1983, 1984 and 1985, Congress rejected the Administration's proposals to eliminate federal library programs and appropriated enough funds for the Postal Service so that postal rate stability could continue.

In conclusion, we wish to express our appreciation for this opportunity to present our views to the subcommittee on Legislative Appropriations. We offer our assistance should the members of the Subcommittee need it. As the public's window on government, we consider the effective and efficient operation of the Government Printing Office a high priority on Congress' agenda.

Sincerely,

Eileen D Cooke

Eileen D. Cooke
Director
ALA Washington Office

STATEMENT OF BARBARA L. MILES, PRESIDENT, CONGRESSIONAL RESEARCH EMPLOYEES ASSOCIATION

The Congressional Research Employees Association (CREA) represents the 661 professional and non-professional employees of the Congressional Research Service in the Library of Congress. Our employees range in grade from GS-1 to GS-16 and include library aides, information receptionists, info pack clerks, messengers and inquiry recorders, editorial, reference and research assistants, bill digesters, bibliographers, paralegals, attorneys, social science specialists, economists, political scientists, and a wide variety of policy and foreign affairs analysts. We are the people who carry the prime responsibility for responding to the information and research requests of Members, Committees and staff of the Congress. We take pride in the quality of our service to you and are deeply appreciative of the confidence you have repeatedly placed in us.

CRS FY1986 BUDGET REQUEST

Basically, we support the CRS budget request, as submitted to Congress, for fiscal year 1986. The bulk of the increase -- 68% -- is for normal changes in salaries and benefits of current staff. This proportion is somewhat less than the personnel costs share of the total CRS budget (86% in FY1985), but both figures indicate the labor-intensive nature of CRS as a service organization. We also support the CRS request for funding to increase availability of microcomputers to legislative and policy analysts to enhance their direct work for Congress.

We have some reservations about the allocation of the new positions requested, however, eight of which are for computer support services. Since we are not part of CRS' institutional budget process, we cannot comment to any great extent on the justifications for new positions. We recognize that, in connection with the current introduction into CRS of expanded microcomputer facilities and uses, there are valid reasons for requesting these slots. We also recognize management's right to set hiring priorities.

We are not convinced, however, that our analysts, many of whom greatly welcome the addition of microcomputers to their bag of tools, require quite the sort of personnel programming support envisioned in the CRS budget request. The amount and complexity of work performed on the equipment will vary from analyst to analyst. A few researchers will always prefer pencil and paper and their work will not be less for it. Others already have considerable experience and expertise and can not only adequately support themselves, but to some degree, can assist their colleagues. There is some concern that addition of computer specialists may actually reduce access to the equipment rather than augment it by adding a layer of personnel between analysts and computers. We would have preferred that CRS management placed reliance more systematically on existing employee expertise and included CREA in its planning stages for computers. We firmly believe that greater cooperation in the future with CREA on the part of management will serve to reduce the problems arising from implementation of technological changes, most of which arise from simple gaps in planning.

For these reasons and because of our growing workload, we are inclined to question whether it would not be preferable to increase the number of subject area expert analysts on staff instead. The request load has grown by about 40% in the last five years, and is expected to grow another five percent in this year. The number of employee slots, however, has remained about the same and the number of research line positions, as opposed to support, management, and other slots, has actually declined slightly. The practical effect of the workload increase has been somewhat greater than the data show: because the growth of the Service has been

CRS Workload Data, 1979 - 1985

fiscal year	Congressional inquiries	budget positions	research staff 1/
1979	313,201	856	542
1980	340,526	868	539
1981	372,997	849	528
1982	430,610	849	528
1983	418,859	853	533
1984	442,247	858	538
1985(est)	465,000	860	540

1/ Includes analysts, specialists (some of whom head research divisions and sections), technical information specialists, and research and reference assistants.

Source: CRS, Director's Office, gathered from ISIS reporting system and budget documents.

accompanied by an increasingly formal tracking and accounting system, some of our more senior and experienced analysts now spend a significant part of their time performing management and supervisory duties that, formerly, would have been carried out through a more collegial process of review and coordination. These duties tend to reduce the time available for actual research and response, particularly for some of our most capable researchers. While changes in organization of the Service, the introduction of new products to handle certain kinds of routine requests (for example, "Infopacks" and issue briefs), and some automation have allowed us to maintain and improve our timely service to the Congress, such adjustments are largely directed toward improving the production aspects of our work. At some point, the investment in expert "think" will have to be increased beyond the current approximately 350 analysts and subject specialists if we are to keep pace with the growing complexity of research needs and respond to inquiries in the professional manner we would like.

One other consideration with respect to new positions relates to the problem of underrepresentation of minority groups in CRS professional positions. CREA believes that this is an important issue which warrants increased attention. We would suggest that particular attention be given to the imbalance in the legislative and policy analyst positions. These positions are, in some sense, the backbone of the Service, in that they are occupied by staff who deal directly with Congress in the day to day workings of the legislative process. These are the personnel who assist Members and staff by providing the information, technical expertise and policy analysis essential to good service. With few exceptions, minorities are underrepresented in these positions, to a degree which is potentially embarrassing to both CRS and the Congress. In recent years, CRS has made efforts to correct this imbalance, but there is considerable distance yet to go. We would hope that funding of additional positions would help this effort.

POTENTIAL FOR BUDGET REDUCTIONS

We are well aware of the current calls for budget restraint in response to federal budget deficits. Executive Branch suggestions that the Legislative Branch take five or ten percent cuts have now been followed by the Senate approved version of the budget which contains the assumption that a ten percent reduction in operating costs will indeed occur. This could require a $4 million reduction for the Service (which is funded separately from the Library) and raises troubling questions about implementation. In a labor-intensive service such as CRS, it is highly doubtful that such budget cuts could be absorbed in any way that would not have a negative impact on employees and the work they do. Force reductions or furloughs, should they occur, especially in the face of increased workloads, could not fail to be detrimental to the work of CRS and our ability to serve Congress.

HEALTH AND SAFETY CONCERNS

Another area of concern to us affects not only CRS employees, but all staff in the Library of Congress, as well as users of our facilities. Due to frequent complaints from employees concerning air quality in the Madison Building, CREA petitioned the National Institutes of Occupational Safety and Health (NIOSH) for an investigation of our facilities. That investigation pointed out some potentially serious problems, including microbial growth in the airwasher humidification systems, and symptoms of "tight building syndrome," not an unusual occurrence in modern, basically windowless, buildings. The Architect of the Capitol, in cooperation with Library management, appears to be correcting these problems.

More serious safety hazards have come to light in connection with the rennovation of the Thomas Jefferson building. We would urge careful attention to any work in that building, as well as the Adams building, affecting the asbestos materials there. The possibility of flaking asbestos creates serious hazards not only for Library staff, but for all users of the facilities, including Members and staff of Congress and the public.

On a concluding note, we would like to thank the Congress for helping us deal with the difficulties and inconveniences occasioned by the need for more stringent security requirements on Capitol Hill. Allowing our staff to carry congressional passes has eased our entry to congressional buildings and increased our access, and thereby our service, to you.

We look forward to working with your Committee in any way we can to assure that the services which CRS provides will continue to be responsive to the growing needs of Congress. Thank you for the opportunity to submit this statement.

JOINT STATEMENT OF HOWARD R.L. COOK, EXECUTIVE DIRECTOR, BLACK EMPLOYEES OF THE LIBRARY OF CONGRESS, AND VICE PRESIDENT, ETHNIC EMPLOYEES OF THE LIBRARY OF CONGRESS; AND GEORGE E. PERRY, PRESIDENT, ETHNIC EMPLOYEES OF THE LIBRARY OF CONGRESS AND GENERAL COUNSELOR, BLACK EMPLOYEES OF THE LIBRARY OF CONGRESS

Mr. Chairman and Members of the Subcommittee:

We are grateful for the opportunity to provide testimony, for the eighth consecutive year, on the Library of Congress' Budget Request for Fiscal Year 1986. Our testimony has always taken an opposing view as compared to what has been presented by the Library of Congress administration. The natural reason for our opposing view is because we believe strongly that a balance has to be reached. To this date, the balance has not been obtained.

We are disappointed after having appeared before the House Appropriations Subcommittee on the Legislative Branch and the Joint Committee on the Library of Congress for a long period of time with matters of great concern reflecting on the Library of Congress annual budget request relative to what we believe to be an unnecessary expenditure of Congressional appropriated funds without measurable progress of consequence being made toward solving the problems that are the responsibility of management, which so seriously affect the well-being of employees.

This year we are grateful to members of the House Appropriations Subcommittee on the Legislative Branch for their straightforward comments in last year's hearings pertaining to the Equal Employment Opportunity programs at the Library of Congress. We are equally grateful toward Congressman Augustus F. Hawkins who served alternately as Chairman and Vice Chairman of the Joint Committee on the Library for his efforts with regard to Equal Employment Opportunities at the Library of Congress. These efforts, had the will existed in the ranks of management at the Library of Congress, could have saved large amounts of Congressionally appropriated funds.

The fact which continues to bring sadness and dismay to our hearts is this lack of will on the part of Library management as is exemplified in the fact that more discrimination complaints at last count were pending in the Library of Congress than when we appeared before you last year. The Library's own account of these discrimination complaints contained in its Information Bulletin of December 24th 1984, indicates that at the beginning of the reporting period 160 complaints were pending while at the end of the period the pending discrimination complaints had increased to 169. This number of pending discrimination complaints cannot help but lead to unwarranted legal processes which cost lots of money unnecessarily both to the Library of Congress and the employees involved.

Based on the knowledge we have pertaining to the increase in staff in the Library's Equal Employment Opportunity Complaints Office over the past year or so, the rate of processing discrimination complaints which are so costly has not increased. Putting the lack of increase in the rate of complaint processing together with the increase of staff - results in a double expenditure of funds without comparable results. This has to be viewed as a waste of appropriated funds. The latest information we have shows that at present there are approximately 169 complaints of discrimination pending in the Library of Congress Equal Employment Opportunity Complaints Office. It is important to note that the average number of discrimination complaints per year in the Library of Congress has continuously increased from year to year. We consider the present number of discrimination complaint cases to be alarming considering the fact that, as we have pointed out in the past in Congressional testimony, about 4 to 5 employees, if not more, are involved in each discrimination complaint.

During a reporting period on the Library's Affirmative Action Program in 1983 it was reported that no minority applicants were selected under the program while at the same time all the selectees were majority applicants. It has been a long held position legally that Affirmative Action programs were designed for the purpose of helping minorities to advance and to have an equal opportunity in all positions. The Library of Congress administration therefore has misused the Affirmative Action Program, as illustrated above.

We take particular note of Mr. William J. Welsh's comments in the American Libraries magazine of December 1984. Mr. Welsh is the Deputy Librarian of Congress and contends that one of his greatest frustrations as a manager is the matter of affirmative action. We strongly believe that Mr. Welsh suffers from this frustration because of a genuine lack of will to enforce the law in a spirit demanded of a manager. Quotas and the discussion of quotas is an escape used by those who do not wish to implement goals and timetables which are necessary to bring about parity in opportunity. Mr. Welsh in his position as Deputy Librarian and second in command to Dr. Boorstin has enforcement power to be imaginative with disregard for quotas and political and philosophical differences. The Library of Congress was established by law to be non-partisan.

The Library suffers from its treatment of the two minority employee organizations at the Library of Congress. It is important for us to point out that neither of the two real minority employee organizations is or has been for several years recognized officially by the Library of Congress. These are the two organizations through whose efforts the greatest amount of employee-management change has come. One example of this change is the fact it was the two unrecognized presently minority employee organizations which started the process of employees presenting testimony on the Library of Congress annual budget request before your Committee and that of the Senate.

The fact that the two real minority employee organizations remain important is exemplified in a decision rendered by the United States Court of Appeals on January 11, 1985. The decision was rendered by a three-judge panel which included a woman judge who wrote the decision, a black judge, and a former Solicitor General of the United States, all three of them listed in the current edition of the Who's Who in America. This decision by the three-judge panel dealt with the recognition by the Library of Congress of the Ethnic Employees of the Library of Congress. We believe that this court decision indicates unwise expenditure of funds by the Library of Congress. We hold this view because it seems so basic to us that the Library of Congress would have a minority employee organization which expresses an opposing view and should be permitted to exist by reason of the number of minorities employed at the Library of Congress. The Ethnic Employee organization is interracial and interethnic in character and is unique in the Federal Government as far as employee organizations are concerned. We are including the Court's decision as Exhibit 1 to our testimony.

We are concerned that the Library of Congress management appears willing only to permit organizations of employees to exist within the Library of Congress which do not put forth strong, definitive opposition to matters of concern affecting employees within the Agency and matters of concern which affect the United States Congress.

A demonstration of the Library's favor toward an employee organization which does not offer opposition is shown by the fact that Library Management is willing to permit the Library of Congress Professional Association (LCPA) to publish an annual index to the Library of Congress Information Bulletin, an official government publication, to earn income. Previously, the Library of Congress itself had published the Annual Index to the Library of Congress Infromation Bulletin. The approval of such an endeavor by the Library of Congress might present some legal concerns. The announcement of this endeavor by the Library of Congress Professional Association appeared in the Library of Congress Information Bulletin of January 28, 1985, pages 14-15, and the item is entitled "LCPA Publishes 1984 Annual Index to the Information Bulletin".

The management is so strong against the real minority employee organizations at the Library of Congress until it goes to the extent of promulgating in the Federal Register a regulation, 36 CFR Part 701, which it attempts to use as a justification for banning the mere appearance of Washington, D.C. 20540 on the joint stationery of the two minority employee organizations. These two minority employee organizations, the Black Employees of the Library of Congress and the Ethnic Employees of the Library of Congress, have existed at the Library of Congress since 1970 and 1973 respectively, a period of 15 years for BELC and 12 years for EELC.

We are concerned about this type of going after the minority organizations because it represents wasted manpower and wasted funds. The two minority organizations have no choice but to defend against such repression. In this connection we wish to present as Exhibit 2 Ethnic Racial Review, Number 103: August 3, 1984 which is a collection of documents showing the Library's unreasonable aggression.

We strongly believe that before any new funds are appropriated for the operations of the Library of Congress that meaningful steps should be taken to assure that appropriated funds are properly used for the purposes for which they were intended by Congress. We mean by this that comparable results should be directly related to expenditures in accordance with the concerns we have raised.

EXHIBIT NO. 1

Notice: This opinion is subject to formal revision before publication in the Federal Reporter or U.S.App.D.C. Reports. Users are requested to notify the Clerk of any formal errors in order that corrections may be made before the bound volumes go to press.

United States Court of Appeals

FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 84-5092

ETHNIC EMPLOYEES OF THE LIBRARY
OF CONGRESS, ET AL., APPELLANTS

v.

DANIEL J. BOORSTIN, ET AL.

No. 84-5093

ETHNIC EMPLOYEES OF THE LIBRARY
OF CONGRESS, ET AL., APPELLANTS

v.

DANIEL J. BOORSTIN,
LIBRARIAN OF CONGRESS

Appeals from the United States District Court
for the District of Columbia
(Civil Action Nos. 80-2163 & 82-2264)

Argued November 16, 1984

Decided January 11, 1985

Joel D. Joseph for appellants.

John W. Polk, Assistant United States Attorney, with whom *Joseph E. diGenova*, United States Attorney, *Royce C. Lamberth*, *R. Craig Lawrence* and *Michael J. Ryan*, Assistant United States Attorneys, and *Lana Kay Jones*, Assistant General Counsel, Library of Congress were on the brief, for appellee.

Before: WALD, EDWARDS, and BORK, *Circuit Judges*.

Opinion for the Court filed by *Circuit Judge* WALD.

WALD, *Circuit Judge*: In these two consolidated cases, an organization called the Ethnic Employees of the Library of Congress (EELC) and several of its officers and members appeal from summary judgment dismissing claims against the Librarian of Congress, the Library of Congress, and the United States.[1] In its first action, No. 84-5092, the EELC alleged that the Library violated section 717 of Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-16, and the first and fifth amendments to the Constitution by denying the EELC privileges granted to other recognized employee organizations. The district court held that because two EELC officers unsuccessfully asserted constitutional claims based on similar discrimination in a previous lawsuit, claim preclusion barred other EELC members and the organization itself from litigating the constitutional issues in this case. The district court then dismissed the Title

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[1] In No. 84-5092, the EELC and seven officers and members sued the Librarian of Congress, the Library, and the United States. *See* Complaint, No. 84-5092, R. Item 1. In No. 84-5093, the EELC and two of its officers, who are also parties in No. 84-5092, sued the Librarian of Congress. *See* Complaint, No. 84-5093, R. Item 1. All plaintiffs in both actions have appealed. *See* Notice of Appeal, No. 84-5092, R. Item 22; Notice of Appeal, No. 84-5093, R. Item 12.

For brevity, we refer to appellants in both actions as "EELC," and to appellees in both actions as "the Library."

VII claims for failure to exhaust administrative remedies. *See Ethnic Employees* v. *Boorstin*, Civ. Nos. 80-2163 & 82-2264, slip op. at 4-5 (D.D.C. Dec. 20, 1983) [hereinafter cited as District Court Op.]. We find that claim preclusion does not bar the constitutional claims in No. 84-5092 and remand those claims for further proceedings. We affirm the district court's dismissal of the Title VII claims in that case.

The EELC's second action, No. 84-5093, was filed after the Library withdrew recognition of EELC as an official employee organization. The EELC alleged that the Library's decision discriminated on the basis of national origin in violation of Title VII, and also violated the first and fifth amendments. The district court dismissed the constitutional claims on the ground that Title VII is the exclusive remedy for charges of discrimination in federal employment. It then held that the EELC could not make out a prima facie case under Title VII. District Court Op. at 5-7. We find that Title VII is the exclusive remedy for some but not all of the EELC's constitutional claims, and we therefore affirm in part and reverse in part the district court's constitutional holding. We find in addition that the district court misstated the appropriate standard for determining, on a defendant's motion for summary judgment, whether a Title VII plaintiff may succeed at trial in establishing a prima facie case. We therefore vacate summary judgment on the Title VII claims in No. 84-5093 and remand those claims, together with the constitutional claims that may be maintained apart from Title VII, for further proceedings.

I. No. 84-5092

A. *Background*

The EELC is an organization of Library employees "dedicated to promoting non-discriminatory treatment of ethnic and racial minorities at the Library." Affidavit of George E. Perry ¶ 3, R. Item 7.[2] In 1973, George E. Perry, then an employee of the Library and an appellant in both of the cases before us today, founded the EELC. *Id.* ¶¶ 2-3. The Library agrees that from 1973 until approximately April of 1981, the EELC complied with Library of Congress Regulation [hereinafter cited as LCR] 2022-2 (1975), which governs the official recognition and conduct of cultural and social organizations composed of Library employees. Affidavit of Doris E. Pierce ¶ 6, R. Item 15, Exhibit 5.

However, the two principal officers of the EELC, George E. Perry and Howard R. L. Cook, have both been involved in numerous controversies with the Library administration, some of which related to activities they conducted in connection with the EELC. In 1974, Perry, the president of the EELC, was suspended without pay for ninety days based on various charges of misconduct, among them the authorship of a published letter that was highly critical of Library policies. *See* Affidavit of George E. Perry ¶ 4, R. Item 7. Perry alleges that the Library subsequently opened mail addressed to him as president of the EELC, unsuccessfully pressured him not to testify against the nomination of Daniel J. Boorstin as Librarian of Congress, and otherwise harrassed him. In 1977, the Library discharged Perry, in part for allegedly making false and malicious statements about another Library employee.

Cook, the vice president of the EELC, has been involved in similar controversies. Some of these have apparently centered on his activities on behalf of the EELC and the Black Employees of the Library of Congress (BELC), a separate employee organization not involved in these lawsuits.[3] Others centered on Cook's and Perry's individually expressed opposition to various Library actions and policies. In July of 1977, Cook was suspended without pay for allegedly making statements similar to those for which Perry was discharged.

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[2] Record citations in Part I and Part II of this opinion are to the record in No. 84-5092 and the record in No. 84-5093 respectively.

[3] According to documents filed by the appellants, Howard R.L. Cook is the executive director of the BELC, and George

Cook and Perry have previously brought two lawsuits concerning these events. One of these actions, brought in the United States Court of Claims against the United States, challenged the statutory and constitutional validity of the Library of Congress regulation under which Perry was discharged and Cook was suspended. Perry also argued that in any event, discharge was an unduly harsh punishment for his conduct. The court rejected these claims and granted summary judgment for the United States. *Cook* v. *United States*, No. 100-80C, mem. at 2, 5-6 (Ct. Cl. Mar. 13, 1981) (disposition reported at 652 F.2d 70), *cert. denied*, 454 U.S. 894 (1981) [hereinafter cited as *Cook I*].

In February of 1979, Cook and Perry brought another action in the United States District Court for the District of Columbia against the Librarian of Congress. This action sought damages, rescission of the disciplinary measures imposed on Cook and Perry, and wide-ranging equitable relief. Among the many allegations of mistreatment and discrimination were some that described Library efforts to impede actions Cook and Perry took on behalf of the EELC and the BELC, and retaliation against Cook and Perry based on those actions. The dis-

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E. Perry is one of its officers. *See* Affidavit of George E. Perry ¶¶ 3-4, R. Item 7. The relationship between the BELC and the EELC was apparently among the sources of friction between the Library and the EELC. A letter from a Library officer to Perry commented that the BELC "had been a labor organization . . . . When the provisions of [former LCR 2022-2] were superseded by the issuance of LCR 2026, BELC unsuccessfully sought exclusive recognition in the representation election." Letter from Doris E. Pierce to George E. Perry at 2 (Apr. 29, 1980), R. Item 15, Exhibit 7.

trict court dismissed the action on February 11, 1980. *Cook* v. *Boorstin*, Civ. No. 78-2312 (D.D.C. Feb. 11, 1980) [hereinafter cited as *Cook II.*]. It ruled that Title VII was the exclusive judicial remedy for claims of discrimination in federal employment, and the plaintiffs therefore could not assert claims under the first and fifth amendments. Because Cook and Perry were unwilling to proceed only on their Title VII claims, those claims were also dismissed. *Id.* This court dismissed Cook and Perry's appeal on the grounds that they had waived their Title VII claims, and that the judgment against them in the court of claims was res judicata as to their other statutory and constitutional claims. *See Cook* v. *Boorstin*, No. 80-1288 (D.C. Cir. Sept. 11, 1981) (disposition reported at 670 F.2d 1234).

The EELC, Perry, Cook, and five other members of the EELC brought the first of the consolidated actions involved in this appeal on August 22, 1980. *See* Complaint, R. Item 1. They asserted claims against the Librarian of Congress, the Library, and the United States under section 717 of Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-16, and the first and fifth amendments. The complaint alleged that the Library had attempted to gain access to the EELC's membership list, denied its request for office space, and refused it other services generally provided to recognized organizations. *See* Complaint ¶ 14, R. Item 1. The complaint also alleged that the Library refused the EELC's request for a dues checkoff system, *id.* ¶ 15; interfered with the relationship between the EELC and the BELC, *id.* ¶ 16; and took actions with the purpose and effect of suppressing criticism by EELC members of Library policies, *see id.* ¶¶ 24-26. Finally, the complaint asserted that "EELC members are deprived of the right to have the effective assistance of the organization in the processing of personnel grievances within the Library," *id.* ¶ 28, allegedly in violation of the fifth amendment.

The district court concluded that the EELC was in privity with the *Cook II* plaintiffs, and that the EELC's claims were the same, for purposes of claim preclusion, as those asserted in *Cook II*. It therefore held that res judicata barred the EELC's constitutional claims. The court then dismissed the Title VII claims for failure to exhaust administrative remedies. District Court Op. at 4-5.

B. *Preclusion of the Constitutional Claims*

Persons who are not parties to an action ordinarily are not bound by the judgment in the action. *See* 1 Restatement of Judgments, Second § 34(3) (1981). Nonparties to an action are said to be in "privity" with a party and therefore bound by a judgment only when, under any of several related but distinct exceptions to the general rule, "the relationship between one or more persons is such that a judgment involving one of them may justly be conclusive upon the others, although those others were not party to the lawsuit." *Gil & Duffus Servs., Inc.* v. *Islam*, 675 F.2d 404, 405 (D.C. Cir. 1982) (per curiam) (citation omitted).

There is no claim in this case that all EELC members are in "privity" with Cook and Perry "under the traditional definition of the term; they are not persons who 'claim[] an interest in the subject-matter affected by the judgment *through* or *under* one of the parties, *i.e.*, either by inheritance, succession, or purchase." *Id.* at 406 (quoting Comment, *Privity and Mutuality in the Doctrine of Res Judicata*, 35 Yale L.J. 607, 608 (1926)) (emphasis in original). Instead, the district court concluded that EELC members "had an undisclosed interest" in the suit Cook and Perry previously brought in the district court. District Court Op. at 4. We interpret this ruling to mean that Cook and Perry had in effect previously sued as representatives for EELC's members.[4]

The complaint in *Cook II*, however, does not suggest that Cook and Perry were suing in a representative capacity. Cook and Perry were the only plaintiffs of record, and that fact alone strongly suggests that the district court erred in finding that they acted in a representative capacity:

> The traditional representation rules begin with a showing that the prior action was brought by or against a party who was acting in a representative capacity. It is not alone enough that the party had a representative capacity, as for example a trustee of an express trust. If there is no indication in the pleadings or otherwise that the action involved the representative capacity, it must be treated as an individual action. As with other matters of modern pleading and procedure, however, it should be sufficient to show that the action was in fact tried and decided as one that involved the representative capacity of a party.

18 C. Wright, A. Miller & E. Cooper, 18 Federal Practice and Procedure § 4454 at 459 (1981) (footnote omitted).[5]

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[4] In other contexts, the district court's phrase might be understood to mean that the EELC had controlled the earlier litigation, which could lead to the application of issue preclusion against it. *See, e.g.*, Montana v. United States, 440 U.S. 147, 153-55 (1979). However, the district court did not so find, and the record at the present stage of the proceedings would not appear to support such a conclusion.

[5] *See also* 1 Restatement of Judgments, Second § 36(1) (1982); *id.* comment b ("The essential question is whether there is a disclosed relationship in which the party is accorded authority to appear as a party on behalf of others."); 1B J. Moore, J. Lucas & T. Currier, Moore's Federal Practice ¶ 0.411 [3.—1] at 417-18 (1984).

We think that Cook and Perry's complaint, fairly read, does not disclose that they were suing on behalf of the EELC. It is true that the complaint does include, among its many allegations, some assertions that Cook and Perry were discriminated against as officers of the EELC.[6] Similarly, among the fifteen paragraphs specifying the relief requested appears a prayer "[t]hat the Library be ordered to refrain from its divers acts of harrassment, intimidation and obstruction of Plaintiffs and their organizations coincident with organizational activity." Complaint ¶ 12 at 20, *Cook II*, R. Item 12, Exhibit 3. But the allegations relating to the EELC in the complaint are clearly intended to describe part of a broader campaign of harrassment and discrimination that the Library allegedly undertook against Cook and Perry. To the extent that the Library's allegedly illegal acts against the EELC were directed at Cook and Perry personally, they could properly be complained of in their individual actions. Nor is there any sign in the record before us that the truncated proceedings in *Cook II* were conducted as though that case was a representative lawsuit. The district court's opinion treated Cook and Perry's sudden abandonment of their Title VII claims as a decision properly left entirely to them. That stance, while appropriate in an individual action, would be questionable in an action that determined the Title VII rights of all other EELC members as well. Similarly, this court's memorandum in *Cook II* plainly assumes that the lawsuit was in fact exactly what it purported to be in form: an action asserting claims by two individuals. *See Cook* v. *Boorstin*, No. 80-1288 (D.C. Cir. Sept. 11, 1984) (disposition reported at 670 F.2d 1234).[7]

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[6] *See* Complaint ¶¶ 3, 5, 15(j), 24-28, 30(a), 31(a)-(b), 36, 44-45, 49-50, 73, 79, 81, 84, 87, *Cook II*, R. Item 12, Exhibit 3.

[7] The Library argues in this court, as it did in the district court, that *Cook I* as well as *Cook II* bars the EELC's consti-

Finally, we note that strong policy considerations support our reluctance to look beyond the gravamen of the complaint and the district court's opinion for isolated hints that Cook and Perry acted in a representative capacity. EELC members other than Cook and Perry were not protected by any of the procedural safeguards that are required in class actions. *See* Fed. R. Civ. P. 23. Holding *Cook II* to have been a de facto class action would thus risk serious inequity to EELC members who, even had they known of the lawsuit, would have had little reason to suppose that their rights were being adjudicated. Moreover, the rules governing the preclusive consequences of suits brought by an unincorporated association are quite complex, and may vary depending on whether the association brought suit as a jural entity in its own right or as a representative of its members' rights. *See* Fed. R. Civ. P. 17(b)(1) (unincorporated association may sue to enforce substantive federal right); Fed. R. Civ. P. 23.2 (suit by unincorporated association may proceed as class action); 1 Restatement of Judgments, Second § 35 & comment d (1982); *id.* reporter's note to comment d at 357 (authorities on res judicata effect of representative suit brought by unincorporated association are "in a state of profound confusion and discord"); 18 C. Wright, A. Miller & E. Cooper, Federal

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tutional claims in No. 84-5092. The opinion of the court of claims in *Cook I*, however, makes it absolutely plain that the court was dealing with nothing more than a challenge by two employees to disciplinary measures imposed by the Library. There is thus no basis for holding that Cook and Perry represented EELC in *Cook I*.

In addition, we note that the appellate holding in *Cook II* rested entirely on the preclusive effect of *Cook I*. To apply claim preclusion in this case would require us to rule that, despite this fact, the preclusive consequences of *Cook II* reach far beyond any reasonable view of the preclusive consequences of *Cook I*. The facts of this case do not require so anomalous a result.

Practice and Procedure § 4456 (1981). The Library asks us to draw highly questionable inferences from scattered allegations in a complaint brought by two individuals; decide exactly what rights of the EELC and its members were at issue in the resulting "inferred" representational lawsuit; and then determine the preclusive consequences of that lawsuit for the case before us. We prefer the more straightforward course of reading the *Cook II* complaint to assert complaints only on behalf of the named plaintiffs.[8]

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[8]

> A final major question posed by association representation goes to litigation that is conducted by some members rather than the association itself. For most cases, it should be clear that mere common membership does not create power in one member to represent others. Preclusion of other members is likely to be achieved, if at all, on the theory of virtual representation . . . .

18 C. Wright, A Miller & E. Cooper, Federal Practice and Procedure § 4456 at 493 (1981).

The doctrine of virtual representation has a highly uncertain scope, *see id.* § 4457 (1981); *cf.* 2 Restatement of Judgments, Second § 62 (1982) ("Conduct Inducing Reliance on an Adjudication"), and the parties have not discussed it in their briefs. Perhaps the broadest statement of the doctrine is in Aerojet-General Corp. v. Askew, 511 F.2d 710 (5th Cir.), *appeal dismissed and cert. denied,* 423 U.S. 908 (1975), in which the Fifth Circuit declared that "[u]nder the federal law of res judicata, a person may be bound by a judgment even though not a party if one of the parties to the suit is so closely aligned with his interests as to be his virtual representative." *Id.* at 719 (citations omitted). That court qualified this statement in Pollard v. Cockrell, 578 F.2d 1002 (5th Cir. 1978), which held that "[v]irtual representation demands the existence of an express or implied legal relationship in which parties to the first suit are accountable to non-parties who file a subsequent suit raising identical issues." *Id.* at 1008; *cf.* Southwest Airlines Co. v. Texas Int'l Airlines, Inc., 546 F.2d 84, 97 & n.50 (5th Cir.) (noting "inconsistent" and confusing character of doctrine), *cert. denied,* 434 U.S. 832 (1977). In general, cases in which courts have based preclusion on virtual representation have involved special factors such as

B. *The Title VII Claims: Exhaustion of Administrative Remedies*

Section 717 of Title VII of the Civil Rights Act of 1964, which was added by section 11 of the Equal Employment Opportunity Act of 1972, Pub. L. No. 92-261, 86 Stat. 103, 111, expressly prohibits employment discrimination against employees of the Library of Congress on the basis of race, color, religion, sex, or national origin. *See* 42 U.S.C. § 2000e-16(a). Section 717(c) authorizes a Library employee to bring suit under Title

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"substantial elements of participation in the first litigation, apparent consent to be bound, apparent tactical maneuvering, or close relationships between the parties," such as that between family members. 18 C. Wright, A. Miller & E. Cooper, Federal Practice & Procedure § 4457 at 498-99 (1981) (footnotes omitted) (collecting cases); *see, e.g.*, United States v. Geophysical Corp., 732 F.2d 693, 697-98 (9th Cir. 1984) (collaterally estopping limited partners and partnership based on previous litigation by general partner).

Even if we were to adopt an expansive view of virtual representation as the law of this circuit, we would be unwilling to hold that the interests of the *Cook II* plaintiffs were "closely aligned" with the interests of the EELC and its members in the present case in a way that justifies preclusion. As we discuss in the text, neither the pleadings in *Cook II*, *see* Oneida Indian Nation v. New York, 732 F.2d 261, 266 (2d Cir. 1984), nor anything we know about the conduct of that litigation, *cf.* Jackson v. Hayakawa, 605 F.2d 1121, 1126 (9th Cir. 1979), *cert. denied*, 445 U.S. 952 (1980), nor anything we know about the factual relationship between the *Cook II* plaintiffs and other EELC members, *see Aerojet*, 511 F.2d at 719-20, suggests that the *Cook II* plaintiffs can fairly be regarded as acting on behalf of the EELC and all of its members. Moreover, any such holding would raise serious questions as to whether the *Cook II* plaintiffs adequately represented the EELC in their conduct of that litigation and, if not, whether the EELC and its members are nonetheless bound. *See* 1 Restatement of Judgments, Second § 42(1)(e) (1982); 18 C. Wright, A. Miller & E. Cooper, Federal Practice and Procedure § 4457 at 502 (1981).

VII after 30 days following notice of final action on an administrative complaint of discrimination, or after 180 days following filing of the administrative complaint, if no final action has been taken within that time. *See* 42 U.S.C. § 2000e-16(c); *Nordell* v. *Heckler*, No. 83-2175 (D.C. Cir. Dec. 4, 1984). As this court said in *Kizas* v. *Webster*, 707 F.2d 524 (D.C. Cir. 1983), *cert. denied*, 104 S. Ct. 709 (1984):

> Congress did not casually impose the requirement that a person charging violation of Title VII by a federal agency initiate his or her complaint with the agency. Nor is the requirement a technicality. Rather, it is part and parcel of the congressional design to vest in the federal agencies and officials engaged in hiring and promoting personnel "primary responsibility" for maintaining nondiscrimination in employment.

Id. at 544 (quoting 42 U.S.C. § 2000e-16(e)) (citations omitted).

The district court dismissed the Title VII claims in No. 84-5092 for failure to exhaust administrative remedies. The court noted that sections 6D and 12 of LCR 2010-3.1 specifically provide that an organization may file a complaint of discrimination.[9] Cook and Perry sub-

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[9] District Court Op. at 5. Section 6D of LCR 2010-3.1 (1974) provides:

> If an allegation of discrimination is filed by a group of grievants reflecting an individual complaint which they have in common, and it otherwise satisfies the requirements of this section, it shall be accepted for processing under this Regulation as a single complaint, with a joint investigation and, if necessary, a joint hearing . . . . If the allegation filed by the group does not reflect an individual complaint which they have in common, it shall be treated as a third party allegation and processed under Section 12, below.

Section 12 of LCR 2010-3.1 (1974) provides in part:

> This Section shall apply to general allegations by organizations, or other third parties, of discrimination in personnel matters within the Library which are unre-

mitted affidavits to the district court claiming that the coordinator of the equal opportunity program at the Library repeatedly told them that Library regulations do "not allow organizations to file complaints of discrimination concerning discrimination against the organization." Affidavit of Howard R. L. Cook ¶ 3, R. Item 9; *see also* Affidavit of George E. Perry ¶ 3, R. Item 9. The coordinator during the relevant time filed an affidavit stating that he had "no knowledge of having made" the statements attributed to him in Cook's and Perry's affidavits. Affidavit of Thomas C. Brackeen ¶ 4, R. Item 12, Exhibit 5. The Library also submitted a 1976 letter from the coordinator accepting a "third party" discrimination complaint filed by Cook, another person, and the BELC. Letter from Thomas C. Brackeen to James R. Barnett (May 6, 1976), R. Item 12, Exhibit 4. In the Library's view, the letter demonstrates that it does accept organizational complaints, and that Cook was aware of this policy. The district court evidently either disbelieved Cook's and

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> lated to an individual complaint of discrimination. These shall be considered third party allegations and shall be processed as follows:
>
> A. Such allegations shall be filed, in writing, directly with the Coordinator, who shall, upon accepting the same . . . assign them to an Equal Opportunity Officer.
>
> B. In so filing, the organization or other third party shall state the allegations with sufficient specificity so that the Officer may fully investigate it. The Officer may require such additional specificity as necessary to proceed with the investigation.

Section 717(a) of Title VII, 42 U.S.C. § 2000e-16(a), protects "employees and applicants for employment" from illegal discrimination. Section 701(f), 42 U.S.C. § 2000e(f), defines "employee" as "an individual employed by an employer," with certain exceptions. In light of these provisions, we interpret the EELC to argue on behalf of its members that measures taken against the organization have resulted in prohibited discrimination against the members.

Perry's affidavits, or regarded them as an insufficient excuse for the failure to file an administrative complaint.

In *Kizas*, this court commented that:

> Because Congress has unambiguously directed federal employment discrimination complainants to proceed first before the agency charged with discrimination, we have grave doubts whether any futility doctrine can be stretched to sanction court adjudication of a Title VII action when no party to the action has ever filed an initial charge with the agency.

707 F.2d at 544-45 (footnote omitted). Similarly, in *Siegel* v. *Kreps*, 654 F.2d 773 (D.C. Cir. 1981), we rejected a federal employee's argument that his failure to file a timely administrative complaint of discrimination was excused by reasonable reliance on erroneous advice from a Civil Service Commission supervisory employee. The *Siegel* court disagreed with the employee's contention that, on the facts of that case, he justifiably relied on the erroneous advice allegedly given, but the court went on to note that:

> Even if appellant had established a justifiable reliance on [the supervisory employee's] alleged erroneous advice, he would at most, be entitled to a waiver of the time limits for the initiation of a complaint with the administrative agency rather than to the right to institute a civil action. Congress intended that administrative agencies should have an opportunity to consider a federal employee's discrimination claim, because such a process promotes dispute resolution through accommodation rather than through litigation. While waiver of the time limits for initiating an administrative complaint through the administrative process . . . might have been available to the appellant, he never requested such a waiver. Accordingly, we need not decide whether such a waiver, had it been requested, should have been granted.

Id. at 778 n.14 (citations omitted).

Here, as in *Siegel*, the Title VII complainant argues not that principles of equity excuse the failure to file a timely administrative complaint, but rather that we should entirely dispense with the requirement of an administrative complaint. *Cf. Bethel* v. *Jefferson*, 589 F.2d 631, 640-47 (D.C. Cir. 1978). This we will not do on so slight an excuse as the facts of this case offer. Even assuming that the coordinator of the Library's equal opportunity program told Cook and Perry that he would not receive complaints of discrimination against an organization, the Library's regulations and its apparent past practice, of which Cook had personal experience, certainly gave Cook, Perry, and the EELC ample reason to understand that the coordinator's position did not represent Library policy. Nonetheless, the EELC did not actually submit an administrative complaint, or, so far as the record indicates, even protest in writing to the coordinator or to anyone else at the Library about the coordinator's alleged defiance of Library regulations. In these circumstances, we hold that the district court correctly concluded that the EELC had neither exhausted its administrative remedies nor offered any legally adequate excuse for its failure to do so. The Library was therefore entitled to summary judgment on the EELC's Title VII claims in No. 84-5092.

II. No. 84-5093

A. *Background*

The EELC's second lawsuit against the Library arises from the Library's decision to terminate its recognition of the EELC as an employee organization. On April 29, 1980, a staff relations officer of the Library of Congress formally informed Perry, as president of the EELC, that the Library was considering withdrawal of recognition from the organization. The Library's letter suggested that the EELC might have violated LCR 2022-2 by failing to conduct its affairs in an orderly manner and in accordance with democratic principles, and by infringing upon the exclusive rights of labor organizations.[10] The letter asked that Perry provide various items of information to assist the Library in deciding whether the EELC was entitled to continued recognition, including a membership list. *See* Letter from Doris E. Pierce to George Perry (Apr. 29, 1980), R. Item 7, Exhibit 7. A lively correspondence followed between the EELC and the Library, *see* R. Item 7, Exhibits 8-16, during which the Library explained that it required only a list of at least fifty EELC members on the Library staff and not a full membership list, *see* Letter from Doris E. Pierce to Joel D. Joseph (June 20, 1980), R. Item 7, Exhibit 8; Letter from Doris E. Pierce to George E. Perry at 2 (Mar. 26, 1981), R. Item 7, Exhibit 12. The EELC refused to supply such a list, claiming that the Library's effort to force partial disclosure of its membership list violated the first amendment. *See* Letter from George E. Perry to Doris E. Pierce at 1 (Apr. 5, 1981), R. Item 7, Exhibit 16. On September 16, 1981, the Director of Personnel at the Library informed the EELC that its recognition was withdrawn. He stated that:

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[10] Section 4A of LCR 2022-2 (1975) provides in part:

> When applying for recognition under this Regulation, an organization shall provide evidence that it meets the following criteria:
>
> . . . .
>
> (2) it is organized and open to all staff members on a Library-wide basis, but is not a labor organization as defined by LCR 2026;
>
> . . . .
>
> (4) it is organized to conduct its affairs in an orderly manner and in accordance with democratic principles and practices;
>
> (5) it provides proof of membership of not less than 50 employees of the Library of Congress . . . .

Section 4C of LCR 2022-2 (1975) provides in part:

> The Director of Personnel . . . may withdraw recognition of any organization when:
>
> (1) it fails to meet or to conform with the requirements of this Regulation, as set out in A. above; or
>
> (2) its activities infringe upon the exclusive functions and rights of labor organizations . . . .

> [The EELC has] continually sought to encroach upon rights granted exclusively to the recognized labor organizations and you have not satisfied Staff Relations that you have a "membership of not less than 50 employees of the Library of Congress," as required by LCR 2022-2, Section 4A(5). Scarce benefits are extended to organizations that meet the latter criterion on the basis that a substantial number of Library employees are being served by the organization. To give those benefits to an organization which we have no reason to believe holds annual membership meetings and consists of at least 50 Library staff members, would be a wasteful expenditure of the Library's resources.

Letter from Louis R. Mortimer to George E. Perry at 1 (Sept. 16, 1981), R. Item 1, Exhibit 1. Evidently the EELC administratively appealed this decision. *See* Complaint ¶ 11, R. Item 1. When that appeal failed, Cook, Perry, and the EELC filed an administrative complaint of discrimination on behalf of the EELC and its members. R. Item 1, Exhibit 2. The Library ultimately refused to accept the complaint because the EELC allegedly declined, after repeated requests, to support the complaint with specific enough facts to make an effective investigation possible.[11] *See* Letter from Donald C. Curran to Howard R.L. Cook (July 28, 1982), R. Item 1, Exhibit 3. The EELC sued the Library on August 11,

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[11] *See* LCR 2010-3.1 § 12B (1974) (quoted *supra* note 9). The record does not contain details of the Library's request for further information and the responses, if any, of the EELC. We express no opinion on whether the EELC's filing of an administrative complaint, followed by its alleged failure to provide additional information, constituted adequate exhaustion of administrative remedies.

1982, asserting that the Library's version violated the first and fifth amendments and Title VII.

B. *The Constitutional Claims: The Effect of* Brown *v.* General Services Administration

The thrust of the EELC's first amendment argument is that the Library's withdrawal of recognition denied the EELC access to Library facilities "on an equal basis with other groups." Complaint ¶ 16, R. Item 1. This denial, the EELC alleged, was based upon the enforcement of "discriminatory and unconstitutional requirements," and had the purpose and effect of suppressing the EELC's criticisms of Library policies. *Id.* ¶¶ 17-18. The EELC also alleged that the Library had deprived EELC members of the effective assistance of their organization in the processing of personnel grievances, in purported contravention of the fifth amendment, *id.* ¶ 20; and that the Library had in some way denied the EELC equal protection of the laws, *id.* ¶ 21.

The district court dismissed these claims, relying on *Brown* v. *General Services Administration*, 425 U.S. 820 (1976), which held that for federal employees, "§ 717 of the Civil Rights Act of 1964, as amended, provides the exclusive judicial remedy for claims of discrimination in employment." *Id.* at 835. *Brown* rested on the Court's view that

> The balance, completeness, and structural integrity of § 717 are inconsistent with the . . . contention that the judicial remedy afforded by § 717(c) was designed merely to supplement other putative judicial remedies.

Id. at 832. The Court's discussion showed particular concern over the possibility that litigants might evade "the rigorous administrative exhaustion requirements and time limitations" of section 717 by recasting Title VII claims as claims under other statutes and so frustrate the legislative policies underlying Title VII. *See id.* at 833; *see also Great Am. Federal Savings & Loan Ass'n* v. *Novotsky*, 442 U.S. 366, 372-78 (1979) (deprivation of right under Title VII cannot form basis for suit under 42 U.S.C. § 1985(3)). Allowing federal employees to recast their Title VII claims as constitutional claims would clearly threaten those same policies. For that reason, this circuit has repeatedly held that federal employees may not bring suit under the Constitution for employment discrimination that is actionable under Title VII.[12] Thus, the district court properly dismissed those constitutional claims that simply restated claims of racial, ethnic or other discrimination cognizable under Title VII, or claims of retaliation for the invocation of Title VII rights.[13]

However, not all of the EELC's constitutional claims could be asserted in a Title VII lawsuit. For example, the EELC alleges that the Library has punished the

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[12] *See* Kizas v. Webster, 707 F.2d 524, 542 (D.C. Cir. 1983) (fifth amendment claim based on race and sex discrimination barred), *cert. denied*, 104 S. Ct. 709 (1984); Lawrence v. Staats, 665 F.2d 1256, 1257, 1259 (D.C. Cir. 1981) (fifth amendment claim based on race discrimination would be barred if § 717 applied); Torre v. Barry, 661 F.2d 1371, 1372, 1374 (D.C. Cir. 1981) (fifth amendment claim based on race discrimination barred); Hofer v. Campbell, 581 F.2d 975, 976, 978 (D.C. Cir. 1978) (fifth amendment claim based on national origin discrimination barred), *cert. denied*, 440 U.S. 909 (1979); Richardson v. Wiley, 569 F.2d 140, 141 (D.C. Cir. 1977) (per curiam) (fifth amendment claim based on race discrimination barred); *cf.* Morris v. Washington Metropolitan Area Transit Auth., 702 F.2d 1037, 1039-40 (D.C. Cir. 1983) (if employer in case were federal agency, first amendment claim for retaliatory discharge prohibited by Title VII would be barred).

[13] *See* Porter v. Adams, 639 F.2d 273, 277-78 (5th Cir. 1981) (§ 2000e-16 prohibits retaliation against federal employee invoking Title VII rights).

EELC and its members for their constitutionally protected criticisms of Library policies. *Cf., e.g., Connick* v. *Myers*, 461 U.S. 138 (1983); *Branti* v. *Finkel*, 445 U.S. 507 (1980); *Elrod* v. *Burns*, 427 U.S. 347 (1976); *Clark* v. *Library of Congress*, No. 83-1510, slip op. at 9-10 (D.C. Cir. Dec. 11, 1984). Similarly, the EELC claims that the Library cannot require disclosure of its membership as a condition of official recognition, *cf., e.g., Buckley* v. *Valeo*, 424 U.S. 1, 15, 24-25 (1976) (per curiam); *Gibson* v. *Florida Legislative Investigation Comm.*, 372 U.S. 539, 543-44 (1963), and that EELC members have some "due process" right to the continued recognition of their organization. Whatever their merits may be, these assertions clearly fall outside the scope of Title VII, and thus could not form the basis for an administrative complaint under that statute. *See Porter* v. *Schweiker*, 692 F.2d 740 (11th Cir. 1982) (federal employee not required to file administrative complaint before challenging discharge allegedly based on constitutionally protected criticisms of superior, since EEOC lacked power to investigate such a complaint). *Brown's* inquiry into the legislative history of section 717 focused on whether federal employees should be able to bring parallel actions under both Title VII and other provisions of federal law to redress the same basic injury. Nothing in that history even remotely suggests that Congress intended to prevent federal employees from suing their employers for constitutional violations against which Title VII provides no protection at all.[14] We intimate no view as to the likelihood that the EELC will prevail on constitutional claims for which Title VII could not provide a remedy. We do, however, hold that Congress did not intend for Title VII to displace those claims, and therefore remand them to the district court for further proceedings.

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[14] *See* Hampton v. Mow Sun Wong, 426 U.S. 88 (1976) (discussed with respect to § 717 in Davis v. Passman, 442 U.S. 228, 247 (1979)); Ray v. Nimmo, 704 F.2d 1480, 1485 (11th Cir. 1983) (§ 717 does not foreclose federal employee's suit for deprivation of constitutionally protected property interest without due process); Brosnahan v. Eckerd, 435 F. Supp. 26, 28 (D.D.C. 1977); *cf.* Davis v. Passman, 442 U.S. 228, 246-47 (1979) (implied cause of action and damages remedy under fifth amendment against congressman not foreclosed by § 717, where § 717 does not cover congressional employee).

C. *The Title VII Claims*

Finally, the district court dismissed the EELC's Title VII claims based on the withdrawal of recognition for failure to establish a prima facie case.[16] The district court stated that:

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[15] The EELC also claimed that the Library's decision was arbitrary and capricious in violation of the Administrative Procedure Act, 5 U.S.C. § 702. In Kissinger v. Reporters Comm. for Freedom of the Press, 445 U.S. 136 (1980), the Supreme Court noted that the Library of Congress is not an agency under the Freedom of Information Act. *Id.* at 145; *see* 1 J. O'Reilly, Federal Information Disclosure § 5.02 at 5-5 (1984); *cf.* 36 C.F.R. § 703.1 (1984). As the definition of an agency in the Freedom of Information Act, 5 U.S.C. § 552(e), incorporates the definition of an agency under the Administrative Procedure Act, 5 U.S.C. § 551(1), it follows that the Library is not an agency under the Administrative Procedure Act. The district court was therefore correct in granting summary judgment for the Library on the claim under that act.

The EELC has pursued its claim that the Library applied LCR 2022-2 arbitrarily and capriciously only through the Administrative Procedure Act. But even if we were to consider a "nonstatutory" claim properly before us, *see generally* W. Gellhorn, C. Byse, P. Strauss, Administrative Law: Cases and Comments 919-23 (1979); L. Jaffe, Judicial Control of Administrative Action 152-96 (1965), we would still not be required to decide what review might conceivably be available to the EELC. *Cf.* Ringer v. Mumford, 355 F. Supp. 749 (D.D.C. 1973) (enjoining Librarian of Congress from appointing Register of Copyrights without following Library regulations). The EELC has met the Library's efforts to prove even-handed enforcement of its regulation only with claims that the Library acted from motives prohibited by Title VII and the Constitution. We think that even assuming

> The Supreme Court characterized plaintiffs' burden of establishing a *prima facie* case of disparate treatment as "onerous." Under this "onerous" burden, plaintiffs must prove by a preponderance of the evidence that (1) they are members of a minority group; 2) the Library's request for a membership list of at least fifty members was not applied equally across the board, and (3) the discriminatory application of [the Library regulation requiring disclosure of at least fifty members who are Library employees] was done with a discriminatory motive. Plaintiffs have not met their burden as a prepondrance [sic] of the evidence does not establish that defendants enforced [the regulation] in a discriminatory manner with a discriminatory intent. Rather, it is apparent that defendants required all employee organizations to meet the requirements of LCR 2022-2.

District Court Op. at 6-7 (citations omitted). We believe this passage reflects a misunderstanding of both the elements of a prima facie case under Title VII and the appropriate allocation of burdens on a motion for summary judgment.

In *Texas Department of Community Affairs* v. *Burdine*, 450 U.S. 248 (1981), the Supreme Court commented that "[t]he burden of establishing a prima facie case of disparate treatment is *not* onerous." *Id.* at 253 (emphasis added). When a Title VII plaintiff alleges that an employer has discriminatorily refused to hire him, the Court has described the appropriate allocation of burdens as follows:

---

the EELC could assert an action for nonstatutory review that does not repeat the substance of its Title VII and constitutional claims, it has failed to raise a genuine issue of material fact that might allow that action to succeed. To the extent that an action for nonstatutory review would simply cover the same ground as the EELC's Title VII and constitutional claims, it is entirely superfluous in this case.

> A plaintiff alleging one instance of discrimination establishes a prima facie case justifying an inference of individual racial discrimination by showing that he (1) belongs to a racial minority, (2) applied and was qualified for a vacant position the employer was attempting to fill, (3) was rejected for the position, and (4) after his rejection, the position remained open and the employer continued to seek applicants of the plaintiff's qualifications. Once these facts are established, the employer must produce "evidence that the plaintiff was rejected, or someone else was preferred, for a legitimate, non-discriminatory reason." [*Burdine*, 450 U.S. at 254]. At that point, the presumption of discrimination "drops from the case," *id.*, at 255, n.10, and the District Court is in a position to decide the ultimate question in such a suit: whether the particular employment decision at issue was made on the basis of race. The ultimate burden of persuading the trier of fact that the defendant intentionally discriminated against the plaintiff regarding the particular employment decision "remains at all times with the plaintiff," [*id.* at 253], and in the final analysis the trier of fact "must decide which party's explanation of the employer's motivation it believes." *United States Postal Service Board of Governors* v. *Aikens*, 460 U.S. [711, 716 (1983)].

Cooper v. *Federal Reserve Bank*, 104 S. Ct. 2794, 2799 (1984) (citations omitted). These standards can be readily adapted to the EELC's claim. We think that if EELC members could show that (1) they belong to a protected group under Title VII; (2) they sought continued official recognition from the Library for their organization and qualified for recognition under all uniformly enforced standards; (3) they were denied recognition under the disputed regulation; and (4) other applicants seeking continued recognition for their organizations who were not members of the same protected group or groups were not required to conform to the disputed regulation, the EELC members would have established a prima facie case under Title VII. *Cf. Krodel* v. *Young*, Nos. 83-1426 & 83-1427, slip

op. at 709 (D.C. Cir. Nov. 20, 1984) (age discrimination claim applying Title VII framework); *Freeman* v. *Lewis*, 675 F.2d 398, 400 (D.C. Cir. 1982) (stating Title VII prima facie burden in discriminatory refusal to promote claim); *Bundy* v. *Jackson*, 641 F.2d 934, 951 (D.C. Cir. 1981) (same).

The district court evidently required direct proof of discriminatory motive as an element of the plaintiff's prima facie case. This was error. *See U.S. Postal Serv. Bd. of Governors* v. *Aikens*, 460 U.S. 711, 714 n.3 (1983); *Krodel*, slip op. at 10-12 & nn. 4-5. Proof of the four elements sketched above would be sufficient to establish a prima facie case and thus shift the burden of production to the Library in the way *Cooper* describes.

The district court also remarked that the plaintiffs had failed to establish a prima facie case by a preponderence of the evidence. District Court Op. at 7. In ruling on the Library's motion for summary judgment, however, the court was required to determine whether the movants had shown the absence of any genuinely disputed issue of material fact. *See, e.g.*, *Williams* v. *Washington Area Metropolitan Transit Auth.*, 721 F.2d 1412, 1414-15 (D.C. Cir. 1983). Elsewhere in its opinion, the district court referred to the standards governing summary judgment motions, *see* District Court Op. at 2, and perhaps its reference to a preponderance of the evidence was merely a verbal slip. If the district court indeed found that the EELC had not established any genuinely disputed issue over the Library's allegedly discriminatory enforcement of LCR 2022-2, then it properly dismissed the Title VII claim under the framework sketched above.

If these Title VII claims were the only claims on appeal, we might feel constrained to review the factual record for ourselves to determine if such an issue exists. However, in light of our remand on other claims in these cases, we prefer to vacate the district court's holding on the Title VII claims in No. 84-5093 and allow it to reconsider its ruling. Our remand rests entirely on our misgivings about the district court's formulation of the relevant legal principles, and implies no view whatever as to the appropriate disposition of this case.

CONCLUSION

In No. 84-5092, we reverse the district court's ruling that claim preclusion prevents the EELC from asserting its constitutional claims, and remand those claims for further proceedings. We affirm summary judgment for the Library on the Title VII claims.

In No. 84-5093, we affirm summary judgment for the Library on the Administrative Procedure Act claim, and on those constitutional claims for which Title VII provides a sufficient remedy. We reverse summary judgment on the remaining constitutional claims and remand for further proceedings. We vacate summary judgment for the Library on the Title VII claims and remand for further proceedings.

So Ordered.

Exhibit No. 2

ETHNIC RACIAL REVIEW (ISSN 0735-6471)

A Joint Periodical Publication
of the Black Employees of the Library of Congress (BELC)
and the Ethnic Employees of the Library of Congress (EELC)

NUMBER 103: AUGUST 3, 1984 (11 pages)

Continuous repression
# of the two
Library of Congress
minority organizations

Published by the Black Employees of the Library of Congress
and the Ethnic Employees of the Library of Congress

Washington, D.C. August 1984

Letter From Donald C. Curran, Associate Librarian of Congress

April 27, 1984

Dear Messrs. Cook and Perry:

The Library of Congress has promulgated, and there are now in effect, regulations governing the use of the Library's name (36 C.F.R. 701.35). In part, these regulations prohibit the use of the Library of Congress name for other than official purposes unless specifically authorized by The Associate Librarian of Congress. A copy of the Federal Register notice is enclosed.

Your organizations, the Ethnic Employees of the Library of Congress and the Black Employees of the Library of Congress, use the Library's name and official mailing address without authority. The address and zip code assigned to the Library are for official use. Your organizations are neither recognized employee or labor organizations under Library regulations, nor do they have permission to use the Library's official address. Accordingly, your continued use of the Library's name and address must cease.

I trust that you will see to this matter without delay.

Sincerely,

Donald C Curran

Donald C. Curran
The Associate Librarian of Congress

Enclosure

Mr. George E. Perry
6100 East View, Kenwood Park
Bethesda, MD 20817

Mr. Howard R.L. Cook
7212 Donnell Place, B-5
Forestville, MD 20028

AVAILABLE

FEDERAL REGISTER OF MARCH 8, 1984

LIBRARY OF CONGRESS

36 CFR Part 701

Procedures and Services; Use of the Library of Congress Name and Seals

AGENCY: Library of Congress.

ACTION: Final rule.

SUMMARY: The Library of Congress is amending its regulations by adding new text to Title 36, Part 701, *Procedures and Service*. This revision is necessary to inform members of the public and other interested parties concerning the general provisions governing the use of the name "Library of Congress" and the use of the Library of Congress Seal and the official seal of the Library of Congress Trust Fund Board. The new text is intended to provide information of interest to the public or other parties in dealing with the Library of Congress.

EFFECTIVE DATE: April 9, 1984.

FOR FURTHER INFORMATION CONTACT: Howard Blancheri, Executive Officer, Office of the Associate Librarian for Management (287–5560).

SUPPLEMENTARY INFORMATION: The use of the Library of Congress name for other than official use is prohibited except as specifically authorized by The Associate Librarian of Congress. The Library of Congress Seal shall be displayed only on official documents or publications of the Library. As a matter of policy, the official seal of the Library of Congress Trust Fund Board shall be affixed to documents of that body as prescribed by The Librarian of Congress.

List of Subjects in 36 CFR Part 701

Libraries, Library of Congress.

PART 701—[AMENDED]

Accordingly, pursuant to 2 U.S.C. 136, Title 36, Part 701 is amended by adding §§ 701.35 and 701.36 to read as follows:

§ 701.35 Use of the Library of Congress name.

(a) The name "Library of Congress" shall be used officially to represent the Library, its programs, projects, functions, activities, or elements thereof. The Library's name may be used only when it is in the interest of the Library. Any other use by any person(s) or organization(s), except as provided in this section, is prohibited.

(b) Any individual(s) or organization(s), outside the Library wishing to use the Library's name shall submit a written proposal, by U.S. mail or hand delivery, to the Associate Librarian for National Programs, Library of Congress, Washington, D.C. 20540. The proposal shall be submitted at least 60 days in advance of the intended use and shall include, in addition to a copy or draft of the publicity statement, the following: (1) A detailed description of the intended use; (2) the name and telephone numbers of the individual responsible for the intended use, as well as for any arrangements and publicity associated with it; (3) the co-sponsor (if an individual or organization from outside the Library); (4) the speakers, performers (if appropriate); and (5) the date(s), location and intended distribution of publicity materials. After commenting on the appropriateness of the proposal, the Associate Librarian for National Programs will forward the proposal to The Associate Librarian of Congress for final approval or rejection.

(c) Where the contemplated activity or intended use of the Library's name is designed to raise gift funds for the Library, there shall be three (3) additional requirements:

(1) Publicity associated with the intended use shall clearly state the objective for such funds, shall be consistent with the policy expressed in paragraph (a) of this section, and, if the funds are to benefit a specific program in the Library, the publicity shall describe that program; and

(2) No individual(s) shall financially profit from such fund-raising endeavor.

(d) Any permission(s) granted shall apply only to the specific use for which granted. There shall be no blanket or open-ended permissions granted; each intended use shall be individually considered.

(e) If, after permission is granted, there is a breach or violation of any provisions or conditions of this section, The Associate Librarian of Congress shall withdraw permission and give written notice of such to the individual(s) identified in the written request as responsible for the arrangements and publicity.

(f) Whenever it is determined that any person or organization is engaged in or about to engage in an act or practice which constitutes or will constitute conduct prohibited by this section or a violation of any requirements of this section, the Library General Counsel shall take whatever steps are necessary, including seeking the assistance of the U.S. Department of Justice, to obtain injunctive relief and/or damages.

§ 701.38 Use of the Seal of the Library of Congress and the Library of Congress Trust Fund Board.

(a) The Seal is the official emblem of the Library of Congress and its use is therefore permitted only on official documents or publications of the Library.

(b) The Seal may be used on Library publications, leaflets, brochures, letterhead, or other printed matter prepared as official documents of the Library.

(c) The embossed Seal shall be used primarily to authenticate contracts, agreements, certifications, and other documents signed by The Librarian, or his/her designated representative(s).

(d) With the approval of The Associate Librarian of Congress, the Seal may be used in cooperative programs in which the Library officially engages with other organization(s).

(e) Any other use shall be approved in advance by The Associate Librarian of Congress.

(f) The official Seal of the Library of Congress Trust Fund Board shall be affixed to documents of that body as prescribed by The Librarian of Congress.

(g) Any person or organization that uses the Library Seal or the Seal of the Library of Congress Trust Fund Board in a manner other than as authorized by the provisions of this section shall be subject to the criminal provisions of 18 U.S.C. 1017.

Effective date—This amendment is effective April 9, 1984.

Issued in Washington, D.C., February 27, 1984.

Glen A. Zimmerman,

Associate Librarian for Management, Library of Congress.

[FR Doc. 84-[illegible] Filed [illegible]; 8:45 am]

BILLING CODE 1410-01-M

AVAILABLE

LETTER FROM HOWARD R.L. COOK AND GEORGE E. PERRY

June 19, 1984

Mr. Donald C. Curran
The Associate Librarian of Congress
The Library of Congress
Washington, D.C. 20540

Dear Mr. Curran:

We are in receipt of your April 27 letter, and the accompanying regulations promulgated on March 8, 1984. Your letter infringes upon the constitutional rights of employees at the Library of Congress, and is also factually incorrect. Therefore, we hope you will see fit not to pursue this matter further.

The Black Employees of the Library of Congress ("BELC") and the Ethnic Employees of the Library of Congress ("EELC") do not use the Library's address. To the extent that they may have inadvertently done so in the past, we will in the future attempt to assure that this does not recur.

However, we are not prepared to change our names. We have neither stated nor implied that we are official organizations of the Library. We are not using the Library's name to put on a seminar or to raise money. We have not used the Library's Seal. We are no more infringing on the Library's name than is Dr. Boorstin when his book jacket identifies him as the Librarian of Congress. This does not mean the Library endorses everything in the book; similarly, there is no implication from our names that the Library endorses what we do. (Indeed, we suspect that the exact opposite implication is more nearly the case.) If the March 8 regulation were read as literally as you apparently desire, it would be improper for any employee's resume to list the Library as an employer. Clearly this could not be intended, and it is certainly not contemplated by 2 U.S.C. § 136.

Consequently, we can only conclude that your letter is designed to intimidate us into silence. We cannot accept this restraint on our constitutional rights.

In short, we will assure that we do not use the Library's address. We will not change our names.

Sincerely,

Howard R.L. Cook
Howard R. L. Cook
Executive Director, BELC
Vice President, EELC

George E. Perry
George E. Perry
President, EELC
General Counselor, BELC

LETTER FROM DONALD C. CURRAN, ASSOCIATE LIBRARIAN OF CONGRESS

July 6, 1984

Dear Messrs. Cook and Perry:

Thank you for your reply of June 19, 1984, regarding the Library's concern with your use of the Library's name and mailing address. It provides me with the opportunity to make clear the problem as the Library sees it.

We are not asking you to change your organizational names. Both of your organizations, although no longer officially recognized, do have historical basis at the Library and were initially developed for employee purposes. Accordingly, we do not object to your continued use of the Library's name in your titles.

It is the mailing address which you use that creates problems for us. When you couple your organizational names with this location (i.e., Library of Congress) and this address (i.e. Washington, DC 20540), you are holding yourselves out as having an official relationship to this agency. The zip code number 2-0-5-4-0 has been assigned solely to the Library of Congress. All mail carrying that zip will be routed to the Library as official mail.

Your letter indicates that you are giving us assurance that you will not use the Library's official mailing address. That is all we ask. Therefore, we shall assume that your assurance means that you will discontinue using "Library of Congress, Washington, DC 20540" as your return address, and will cease using letterhead containing that address.

Thank you for your cooperation in this matter.

Sincerely yours,

Donald C Curran

Donald C. Curran
The Associate Librarian of Congress

Mr. Howard R.L. Cook
7212 Donnell Place, B-5
Forestville, MD 20028

Mr. George E. Perry
6100 East View, Kenwood Park
Bethesda, MD 20817

cc: Honorable Augustus F. Hawkins

LETTER FROM GEORGE E. PERRY

July 14, 1984

Mr. Donald C. Curran
The Associate Librarian of Congress
Library of Congress
Washington, D.C. 20540

Dear Mr. Curran:

Before a response to your second letter is prepared please send me copies of the letterheads of the following LC employee organizations, professional, welfare and credit:

Library of Congress Professional Association
Library of Congress Welfare and Recreation Association
Library of Congress Federal Credit Union.

Please inform me whether you are sending to the above employee organizations letters similar to two letters you sent to us.

It is hoped that you understand the moral, ethical and legal obligations to treat all LC professional, welfare and credit associations - employee organisations equally and fairly.

Humbly,

George E Perry

George E. Perry
president, EELC
general counselor, EELC

LETTER FROM DONALD C. CURRAN, ASSOCIATE LIBRARIAN OF CONGRESS

July 23, 1984

Dear Mr. Perry:

Recognized employee organizations, such as the L.C. Credit Union, the L.C.P.A., and the W.R.A., are extended the privilege of using the Library as their mailing address. The same was true of B.E.L.C. and E.E.L.C. when those organizations were recognized by the Library. Neither organization, however, now has that status.

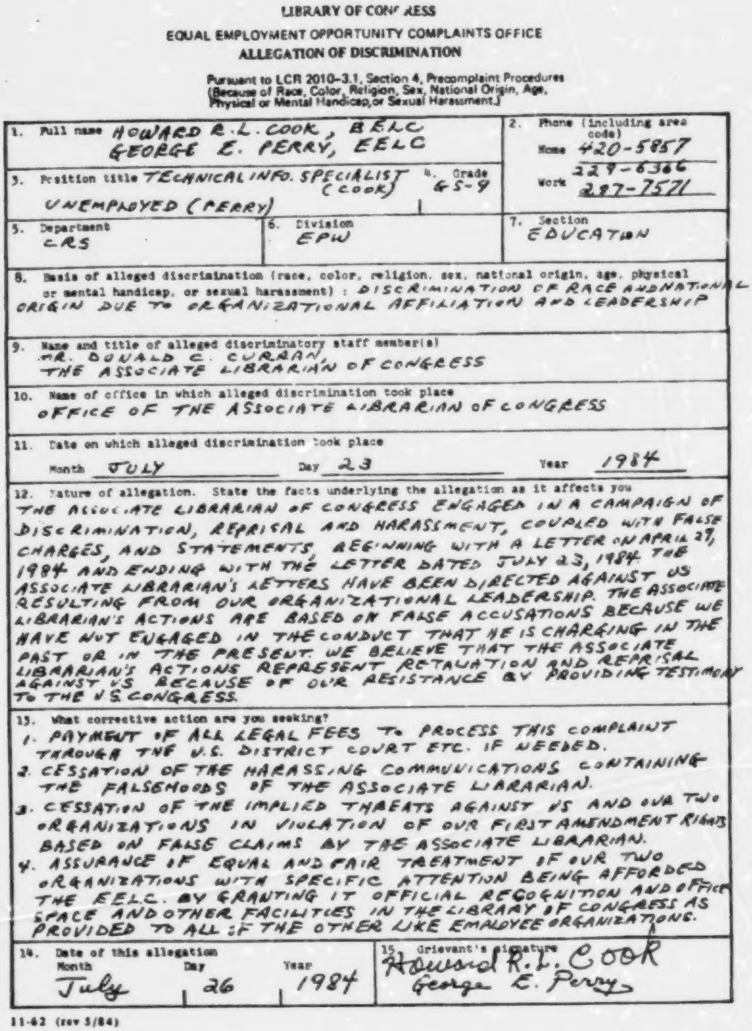
Our request is a simple one, and from your June 19, 1984 letter, it certainly appeared that you were willing to cooperate and honor it: please stop using the Library as a mailing address.

Sincerely yours,

Donald C Curran

Donald C. Curran
The Associate Librarian
of Congress

Mr. George Perry
6100 East View, Kenwood Park
Bethesda, MD 20817



LIBRARY OF CONGRESS
EQUAL EMPLOYMENT OPPORTUNITY COMPLAINTS OFFICE
ALLEGATION OF DISCRIMINATION

Pursuant to LCR 2010–3.1, Section 4, Precomplaint Procedures
(Because of Race, Color, Religion, Sex, National Origin, Age, Physical or Mental Handicap, or Sexual Harassment.)

1. Full name HOWARD R.L. COOK, BELC
GEORGE E. PERRY, EELC

2. Phone (including area code)
Home 420-5857
Work 229-6366
287-7571

3. Position title TECHNICAL INFO. SPECIALIST (COOK)
UNEMPLOYED (PERRY)

4. Grade GS-9

5. Department CRS

6. Division EPW

7. Section EDUCATION

8. Basis of alleged discrimination (race, color, religion, sex, national origin, age, physical or mental handicap, or sexual harassment) : DISCRIMINATION OF RACE AND NATIONAL ORIGIN DUE TO ORGANIZATIONAL AFFILIATION AND LEADERSHIP

9. Name and title of alleged discriminatory staff member(s)
MR. DONALD C. CURRAN,
THE ASSOCIATE LIBRARIAN OF CONGRESS

10. Name of office in which alleged discrimination took place
OFFICE OF THE ASSOCIATE LIBRARIAN OF CONGRESS

11. Date on which alleged discrimination took place
Month JULY Day 23 Year 1984

12. Nature of allegation. State the facts underlying the allegation as it affects you
THE ASSOCIATE LIBRARIAN OF CONGRESS ENGAGED IN A CAMPAIGN OF DISCRIMINATION, REPRISAL AND HARASSMENT, COUPLED WITH FALSE CHARGES, AND STATEMENTS, BEGINNING WITH A LETTER ON APRIL 27, 1984 AND ENDING WITH THE LETTER DATED JULY 23, 1984. THE ASSOCIATE LIBRARIAN'S LETTERS HAVE BEEN DIRECTED AGAINST US RESULTING FROM OUR ORGANIZATIONAL LEADERSHIP. THE ASSOCIATE LIBRARIAN'S ACTIONS ARE BASED ON FALSE ACCUSATIONS BECAUSE WE HAVE NOT ENGAGED IN THE CONDUCT THAT HE IS CHARGING IN THE PAST OR IN THE PRESENT. WE BELIEVE THAT THE ASSOCIATE LIBRARIAN'S ACTIONS REPRESENT RETALIATION AND REPRISAL AGAINST US BECAUSE OF OUR RESISTANCE BY PROVIDING TESTIMONY TO THE U.S. CONGRESS.

13. What corrective action are you seeking?
1. PAYMENT OF ALL LEGAL FEES TO PROCESS THIS COMPLAINT THROUGH THE U.S. DISTRICT COURT ETC. IF NEEDED.
2. CESSATION OF THE HARASSING COMMUNICATIONS CONTAINING THE FALSEHOODS OF THE ASSOCIATE LIBRARIAN.
3. CESSATION OF THE IMPLIED THREATS AGAINST US AND OUR TWO ORGANIZATIONS IN VIOLATION OF OUR FIRST AMENDMENT RIGHTS BASED ON FALSE CLAIMS BY THE ASSOCIATE LIBRARIAN.
4. ASSURANCE OF EQUAL AND FAIR TREATMENT OF OUR TWO ORGANIZATIONS WITH SPECIFIC ATTENTION BEING AFFORDED THE EELC. BY GRANTING IT OFFICIAL RECOGNITION AND OFFICE SPACE AND OTHER FACILITIES IN THE LIBRARY OF CONGRESS AS PROVIDED TO ALL OF THE OTHER LIKE EMPLOYEE ORGANIZATIONS.

14. Date of this allegation
Month July Day 26 Year 1984

15. Grievant's signature Howard R.L. Cook
George E. Perry

11-62 (rev 5/84)

QUESTIONS FOR THE RECORD

Senator D'AMATO. I have a number of questions which can be answered for the record.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

General

Question: Which of your presently authorized permanent positions are vacant? Wouldn't it be possible to take care of some of your new initiative priorities by filling those vacancies instead of creating new positions, either permanent or indefinite?

Answer: The number of vacancies, by department, follows:

Library of Congress Vacancy List

Office of The Librarian	---
Associate Librarian for Management	16
Associate Librarian for National Programs	---
Books for the Blind and Physically Handicapped	---
Law Library	---
Processing Services	58
Research Services	18
Copyright Office	21
Congressional Research Service	12
Total	125

Most of the above vacant positions are for positions involved with functions which are currently needed are are vacant as part of the normal turnover in positions for which current recruiting is being conducted.

If these positions were vacancies of a long-standing nature and the performance of the functions assigned to them was no longer necessary, it would be possible to transfer these positions to take care of some of our new initiative priorities.

The Library has in the past, and will continue in the future whenever possible, to transfer budgeted positions from obsolete functions to new functional needs rather than ask for additional positions to cover the new functions.

Question: Last year, you initiated a survey of your library users. How many people responded to your inquiries? Did their answers yield any useful information? Will any changes in your operations be made as a result of your findings?

Answer: LC patrons responded to the 12 parts of the survey as follows:

Survey	Distributed	Returned	Percent
Congressional	1,749	1,341	77
Reader	2,158	1,606	74
Telephone	1,423	1,015	71
Reference Correspondence	1,435	1,021	71
Loan	1,438	1,273	89
Copyright Registrants	3,942	2,958	75
Jukebox Licensees	891	547	61
Copyright Caller	1,221	864	71
American Folklife Center	2,180	1,085	50
Photoduplication Service	1,277	841	66
Cataloging Distribution Service	2,173	1,778	82
National Library Service for the Blind and Physically Handicapped	56	55	98

There was an abundance of useful information gleaned from the responses, for example:

--Patrons say the most important reason to use the Library is its collection, less so convenience and staff, and that most in-person users and telephone callers have tried some other source first, and thus appear to use LC as a last resort.

--Of Congressional users, 54% rated all services very good and another 45% gave LC a good rating. Readers gave the Library an overall very good/good rating of 98%.

--12% of loan users from Congressional offices wish the Loan Division to offer the Congressional loan service until at least 6 p.m. The Library has already instituted extended hours for loan service.

--15-20% of telephone callers to LC's general telephone service and to the copyright information number had difficulty, because of busy lines, getting through to a reference assistant. Copyright has installed a new stacking/message telephone system and the general telephone service is considering doing so.

--Readers indicated serious problems with the speed of book delivery (23%) and with securing items reported not-on-shelf (53%). LC is developing a comprehensive system of automated collection control, planning for which is now under way.

--Hours of opening, were not volunteered as a problem by most people, but when asked, patrons said they wanted longer hours. Those requesting later hours are disproportionately students and lawyers.

--Those who have the most praise and the most criticism are the heaviest, widest-ranging and longest term users. LC will be developing a mechanism to deal with those patrons and in so doing, if successful, should reduce criticism of LC.

Question: Mr. Welsh stated you now believe the deacidification facility will have a capacity of 1 million volumes a year, double the previous estimate. How will this affect operating costs?

Answer: The more you do, the lower the costs will be for each individual item. We estimate that when we are at maximum capacity, the cost will go down to approximately $2.00 a volume.

Question: Please tell us what is funded by the Gift and Trust Fund receipts. Can more money come in this way? Does the Library in any way request pledges of funds, or is this money the result of spontaneous generosity by donors?

Answer: As of September 30, 1984, the Library of Congress Trust Fund Board Account had $9,741,000 invested in the U. S. Treasury and other institutions. The Library of Congress uses the interest, not the principal, for many of its cultural programs. Other funds are available for additions to the collections. The Library of Congress and the public members of the Trust Fund Board actively solicit gifts to the Trust Fund account -- the most recent of which was the gift from the Mary Pickford Foundation of $500,000 to support programs related to the history and development of the motion picture industry.

Gift funds are available to the Library of Congress for immediate expenditure for a specific purpose. For example, recently the Morris and Gwendolyn Cafritz Foundation made a grant of $44,000 to the Library to sponsor a symposium on the American understanding of India today.

Preparation of Books

Question: What thought has been given to increasing reimbursement fees for services provided to users, such as the distribution of materials purchased in South Asia, in order to further offset the costs of these services? What is the current level of reimbursement for each of your reimbursable services? What are other likely candidates for reimbursement?

Answer: The Library of Congress charges participants for the full purchase cost of materials. To this it adds a 30 percent administrative charge to cover the costs of processing materials for participants. Costs incurred in the processing of multiple copies (i.e. copies other than the copy designated for the Library of Congress) include labor; ordering and receiving; binding; packing and shipping; special orders; claims; and correspondence. An additional surcharge is levied for newspapers and journals which participants receive airmail. Total outside participation for fiscal 1986 is expected to be valued at $768,000 with individual accounts ranging from $2,093 to $54,617.

The Library of Congress is confident that the 30 percent administrative charge covers the incremental costs of running a participant program. The Library does not attempt to charge participants for costs incurred in purchasing and processing materials that go to the Library of Congress. One such major cost is cataloging which the Library bears totally because the office would have to catalog materials even if there were no participants at all. The

Library does not expect participants to pay for the processing of its own materials. In addition, any attempt to raise the 30 percent administrative charge would reduce total contributions due to the fact that the increase would be more than offset by a reduction in participation. The participants in this program are libraries and other research institutions with finite resources.

Question: Why is it necessary to create permanent staff for your serials management project, rather than accomplish the work with indefinite positions?

Answer: The serials management project is expected initially to require seven years of development. We do not normally consider recruiting indefinite staff for such an extended period. Also, the development staff will need to be highly skilled individuals with both automation and serials knowledge. In order for recruitment to be successful, we need to offer permanent positions.

As the project develops and portions of the system become operational, team members will switch from development to maintenance. At the point that the system is fully developed and implemented, at least three persons will be needed for maintenance. The remaining four team members will be required for system enhancements and related systems development.

Therefore, there is both a present and future need for a small group of serials automation experts.

Question: Is there any critical reason why this project cannot be delayed?

Answer: The current manual control system is deteriorating to such an extent that it is resulting in increasingly serious consequences for all users of the Library's collections. The Serial Record is a very large, heavily used and rapidly expanding file that for the past 45 years has been maintained under a variety of cataloging rules and procedures. Efficient access to the records is becoming increasingly slow and difficult. As a result, growing backlogs of current serials receipts are delayed in reaching users. If automated support to serials management is not available within the next three years, the manual system will need to be overhauled at great expense and with limited results. At best, such an overhaul could only serve as a stopgap measure.

In addition, a great deal of thinking and planning for automated serials control has taken place during the past three years. If there is a hiatus, much of this effort would need to be redone. This would result in an unfortunate waste of effort.

Question: Why are four people needed to catalog machine-readable data files?

Answer: Three of the four positions requested are actually involved in cataloging. The fourth position is a library technician who will be required to instruct publishers in the procedures for submitting software titles to the Cataloging in Publication program, answer subsequent publishers' questions about procedures and cataloging rules, type the resultant cataloging data from catalogers' worksheets for submission to the publisher, process bibliographic changes reported by the publishers subsequent to initial data submission, and keep publishers' files in order and addresses up-to-date.

Two of the cataloging positions are for descriptive cataloging of software titles. It is estimated that 2,000-4,000 titles annually might be candidates for the project. A descriptive cataloger can catalog approximately 1,500 titles annually. One additional cataloger will be needed to do the subject analysis of the software titles. A subject cataloger can process approximately twice the number of titles as a descriptive cataloger.

Question: Do you have a backlog in your current inventory of machine-readable files that will be reduced by this project?

Answer: The software titles that will be included in this program are not connected with a backlog. The Cataloging in Publication program by definition deals with prepublication materials. Thus, the titles that will be included do not yet exist. The Library of Congress has no backlog of software titles, as it has not acquired these materials heretofore. However, there is a strong public interest on the part of both publishers and libraries in LC providing bibliographic control over the myriad of software programs currently on the market, particularly in school and public libraries. The interest is growing continually in other sectors such as research and academic libraries.

Question: What accounts for the substantial increase of $230,000 in growing workload of "miscellaneous other services" in the "Preparation of Books" account? What would be the impact of foregoing this increase and the $97,000 budgeted for computer software?

Answer: The $230,000 increase in "miscellaneous other services" is requested to support the proposed programs for an automated serials management system ($200,000) and for cataloging machine-readable data files ($30,000). The $97,000 is requested for the purchase of standard software needed for the automated serials management system.

In order to initiate an automated serials management system, the basic serials data now maintained manually must be converted to automated form; hiring an outside contractor is believed to be the most efficient way to accomplish this task. It is estimated that full conversion will require approximately ten to twelve years of contracted service at this level. The impact of foregoing this increase would be to forego many advantages of automating serials data. Since much of the basic data would remain in manual form, both the automated and manual files would have to be consulted, resulting in inefficiency and reduced levels of service.

In estimating the need for four positions to catalog machine-readable data files, a position to convert the cataloging data to automated form was not included because it is considered more efficient to have this function performed through contracted service rather than to hire permanent staff to accomplish this final and essential task in the cataloging process. The impact of foregoing this increase is to have completed the intellectual part of the cataloging process but never achieve the final product, the bibliographic record.

The impact of foregoing the increase of $97,000 for the one-time purchase of standard software packages in support of the automated serials management system would be to force in-house programmers to spend their time developing software that is already available on the market. This would be more costly and delay implementation of the system.

Question: Please break down the $275,100 increase for "Other Services" and "Other Services, Miscellaneous" in your Preparation of Books account.

Answer:	$200,000	Contract for data conversion for the automated serials management system (described above).
	$ 30,000	Contract for data conversion for cataloging of machine-readable data files (described above).
	$ 30,100	Projected inflationary increase of 3% to maintain current level of miscellaneous services in Washington, D. C.
	$ 15,000	Projected inflationary increase (various rates) to maintain current level of "other services" in field offices in Brazil, Kenya, and Egypt.
	$275,100	Total

Tuition and Training

Question: You are requesting $60,895 in Preparation of Books alone for tuition and training of personnel. Please provide the Committee with your total budgeted expense for this purpose, by appropriation account, the number of individuals you anticipate will participate in these programs, and the type of programs attended.

Answer: The programs cover a wide range of subjects. They include training to help the Library managers be better managers, to help the professionals to be more proficient in their work, to help the non-professionals perform in more efficient ways, and, through the Affirmative Action Program, to help those employees in dead-end jobs to learn new skills, thereby permitting them to advance to better jobs.

The following schedule shows the funds requested for fiscal 1986 for each of the various program activities in the Library along with the estimated number of employees to be trained.

Program Activity	Training Number of Employees	Training Amount	Training Contracts Number of Employees	Training Contracts Amount
Salaries and Expenses, Library of Congress:				
Preparation of books .	200	$ 60,395	---	$ ----
Cataloging distribution service	100	24,200	---	----
Research and reader services	112	24,500	---	----
Preservation of library materials ...	8	1,675	---	----
Automated systems support	53	38,500	147	50,000
Central support services	320	207,843	60	20,000
American Folklife Center	6	1,300	---	----
Subtotal	799	$358,913	207	$ 70,000
Copyright Office	100	36,800	---	----
Congressional Research Service	385	115,100	150	36,000
Books for the Blind and Physically Handicapped	60	11,200	---	----
Total	1,344	$522,013	357	$106,000

Cataloging Distribution Service

Question: To what do you attribute the $271,700 decrease in printing costs in your Cataloging Distribution Service account? Is this a trend, or a phenomenon which can be reproduced in others of your printing accounts?

Answer: The $271,700 decrease in the Cataloging Distribution Service printing account is attributable in full to the decrease of the one-time appropriation of $300,000 to publish the 10th edition of the Library of Congress Subject Headings in fiscal 1985. The $300,000 decrease was offset in part by the projected need for a $28,300 inflationary increase in that account for fiscal 1986.

Funding for the printing of publications, which are not printed each year, is requested only in the year in which needed. The $300,000 was requested in fiscal 1985 as a current level increase to cover the cost of the 1985 printing of the Library of Congress Subject Headings. The 9th edition of this publication was printed in 1980.

Research and Reader Services

Question: You have requested 14 new positions in your Research and Reader Services Department. Why is there such a sharp increase in your need for staff in this area? How many of these positions do you regard as critical to your operation? Can any or all of these be delayed until next year?

Answer: Of the 14 positions requested, two are for the Columbus activities explained below. Of the remaining 12, three are in the area of foreign-language and area studies, where there have been no increases in staff in nearly twenty years, despite continually increasing workloads. Without some increase in staff there, there will continue to be slippage, especially in preparation of long-range bibliographical publications. The remainder are in special collections divisions where dramatic backlogs exist of unprocessed materials. Without some additional staff such backlogs of unprocessed (and usually unavailable) material will continue and grow.

Only one of these positions is "critical" in the sense that the department could not operate adequately without them. (That position is Curator of Musical Instruments.) As for the others, a delay until next year can be tolerated. However, the Committee should be aware that there has already been delay in filling positions in these areas, the need for which has been cited in years past.

Question: With the 500th anniversary of Columbus' voyage more than seven years away, what harm would befall your preparation for your role in the quincentenary jubilee if the requested two positions for this program were denied?

Answer: Although the 500th anniversary of Columbus' will occur October 12, 1992, planning for the celebration must take place long before. Among the "appropriate activities" specified by P.L. 98-375 are the following:

1. "the production, publication, and distribution of books, pamphlets, films, and other educational material ...;"

2. "bibliographical and documentary projects and publications;"

3. "conferences, convocations, lectures, seminars ...."

Such activities take time. There must be planning and lead time for these to be a substantive product. The Library's American Revolution Bicentennial Office was established in fiscal 1969, more than seven years before the official 200th birthday date of July 4, 1976. Its accomplishments brought great credit on the Library and the Congress because of the time available to plan substantive bibliographical and other publications, seminars, and lectures.

There is a second reason for early action. The Library hopes to engage the support of the private sector for a substantial share of resources necessary to carry out a suitable program.

Without a specialist giving full-time attention to the Columbus celebration, the Library may be left in the starting blocks while other programs outpace it in securing necessary private resources.

At the Library we are aware of many evidences of activity pertaining to the Columbus celebration already beginning.

Preservation of Library Materials

Question: In your preservation of books account, what causes the increase in microfilming deteriorating materials beyond the cost of the microfilm?

Answer: The increase in cost for microfilming deteriorating materials is more than the cost of the microfilm itself because the charge for microfilming an item includes the labor charge for camera work, printing, and processing the film. This charge is included whether the Library's Photoduplication Service does the microfilming from material in its collection or the Library purchases the material already on microfilm from a commercial vendor.

Automated Systems Support

Question: Returning to the matter of automated systems support, are your budget estimates for ADP equipment predicated on purchase or lease? If purchase, is this the total acquisition cost? If lease, what do you anticipate the term of the lease to be and then the total cost over the term of the lease?

--If these additional workstations are funded, how many will you have throughout the Library, and how many staff are assigned to using them?

Answer: The ADP equipment request is based on lease, because traditionally ADP workstations (computer terminals, printers, and controllers) are most effectively acquired through lease. If economy dictates, we will purchase certain items. The term of the lease for the ADP workstations requested ($478,516) is expected to be 3 years. The estimated cost over the term of the lease is $1.4 million.

The distribution of ADP workstations and staff assigned to use them are as follows:

	Fiscal 1985		Fiscal 1986	
Department	ADP Workstations	Staff	ADP Workstations	Staff
Librarian	10	37	10	37
ALM	357	530	391	670
AL/NP	57	244	64	269
Law Library	26	90	26	90
Processing Services	851	1,304	1,296	1,344
Research Services	405	850	436	850
Copyright Office	234	419	238	421
CRS	597	811	655	817
Total	2,537	4,285	3,116	4,498

Question: It's my understanding that you are requesting $429,800 for 496 workstations in addition to the 1,900 which exist. Are these workstations for current staff, or are they in anticipation of new staff? Please break down the $429,800 figure into more specific categories of expenses.

Answer: The correct figure for workstations should be $478,516 for 547 workstations (496 regular ADP workstations and 51 microcomputer workstations).

Of the 547 workstations included in the budget justification, 300 ADP workstations ($265,374) will be used in the Processing Services department to substantially complete the automation of book cataloging by providing on-line terminals for all book catalogers in the department. The balance of the ADP and microcomputers workstations (247) will be located elsewhere throughout the Library and will be used in support of growing workload needs as follows:

1. In the Congressional Research Service, 28 ADP workstations ($36,561) will be used to support SCORPIO input to the on-line CRS files and inquiry processing and collection control activities.

2. In the Processing Services Department, 103 ADP and 42 microcomputer workstations ($65,761) will be used by various divisions to support on-line cataloging and searching functions and office automation activities.

3. In the Copyright Office, four ADP workstations ($4,284) will be used in support of on-line copyright cataloging applications.

4. In the Research Services Department, 22 ADP and 9 microcomputer workstations ($46,917) will be used for public access to on-line Library computer files and office automation activities in the Loan and Music Divisions.

5. In the offices of the Associate Librarian for Management, 34 ADP workstations ($50,470) will be used to support the automated medical records management system in the Health Services Office; testing of systems and equipment for staff hired in fiscal 1985 in the Automated Systems Office; the General Ledger System of the Financial Management Office; and access to Library bibliographic files by the Reference Section and an automated order file developed by the Photoduplication Service.

6. In the offices of the Associate Librarian for National Programs, five ADP workstations ($9,149) will be used in the Archive of Folk Culture Reading Room to provide automated reference support and to support office automation for the Exhibits Office and the Educational Liaison Office.

Question: In your efforts to keep your equipment costs down, how often do you investigate the pricing of machine rentals? Who makes these inquiries?

Answer: Each fiscal year, the Automated Systems Office and the Procurement and Supply Division review the economic advantages of converting from lease to purchase certain ADP equipment items for which the Library has received maximum purchase accruals.

Central Support Services

Question: You are requesting six positions for telephone and data communications, to be funded from savings in telecommunications. This is good news, but how were the savings achieved?

Answer: With the divestiture of AT&T, some interesting results have occurred. On the one hand the Library has been able to establish some savings by entering into agreements with the local telephone company on telephone rate stabilization plans by purchasing equipment from AT&T. At the same time, the Library learned that AT&T is going to charge an additional $420,000 annually for services the Library formerly received as part of the services AT&T provided before the divestiture. Upon analysis, the Library determined it could satisfy its needs by hiring six people for a total of approximately $170,000, including salaries and benefits. Based on the approximate savings of $250,000 per year, the Library thinks it prudent to reallocate savings from our local telephone allotment to the salaries allotment to hire Library staff.

Books for the Blind and Physically Handicapped

Question: How many U. S. citizens are eligible for your program and how many take advantage of it? How many participants have you supported in FY84, your FY85 plan, and your FY86 budget? Does this level require three additional positions?

Answer: A review of existing statistical data reveals that there are approximately three million U. S. citizens who are eligible for the Books for the Blind program. Of this total, two million individuals have visual impairments. In FY84, our total readership was 629,100. We project a readership of 638,000 in FY85, and 647,000 in FY86.

The three positions requested are vital to the successful operation of the national program.

Network Consultant The network consultant position is required to serve twenty-nine regional and forty-three subregional libraries in two of four network regions. The network consultant will make monitoring and evaluation visits, work out solutions with network libraries to consumer complaints, and represent special network concerns at the National Library Service for the Blind and Physically Handicapped (NLS). This additional consultant is needed to relieve four professionals who currently handle the consulting duties as well as their supervisory and program responsibilities. No additional travel funds will be required for this position; space and clerical support are available at the NLS facility.

Secretary GS-5 To ensure that consumer needs are paramount among all NLS technical and service activities, the Consumer Relations Section needs a permanent secretarial position to coordinate incoming requests and prepare and distribute correspondence and reports in response to numerous consumer inquiries.

Editorial Assistant One editorial assistant is needed to handle the increase in the publications and public education workload in the Publications and Media Section which has not received any new positions since 1981.

Furniture and Furnishings

Question: Concerning your request for $33,405 to purchase 25 new typewriters, are these machines for existing staff, or for those whom you hope to hire?

Answer: The Library's total typewriter increase request is $33,405. Of this amount $14,400 is for the purchase of 20 typewriters to replace older machines as part of the Library's continuing program to maintain adequate typewriter equipment. All of the machines are for existing staff. The remaining $19,005 of the total is requested to purchase 25 electric typewriters for new positions. This request is partially offset by reductions totaling $21,000 for typewriters which were approved in the fiscal 1985 budget (see page 636 of Part 1 of the fiscal 1986 Hearings).

Question: Is the furniture for your overseas offices purchased here and shipped, or purchased overseas? Did you investigate which of those options was the least expensive?

Answer: Furniture and equipment requested for overseas offices is purchased both within the United States and overseas. The requests are individually investigated and reviewed for a determination of the most efficient and cost effective procurement.

Question: Can you give us a more specifically itemized accounting of what furniture you plan to purchase with the $3.95 million you've requested for that purpose?

Answer: The first purchase orders written will be for carpeting and interior partitions that can be installed as soon as the Architect of the Capitol turns over space. Carpeting patterns are often discontinued in relatively short time frames. Carpeting, along with wall finishes, is basic to any design scheme. Interior partitions establish basic space layout schemes, and are a primary means of electrical distribution. Also the so-called modular furniture that is part of the inherent design of the office colonnade system designed for the Jefferson Building by the architectural firm hired by the Architect of the Capitol will require longer than normal procurement lead times. Knowing that the furniture and furnishings will be installed over a period of several years, it was our intention that the total estimated amount of $11,830,000 would be requested over a period of three years beginning with fiscal year 1986.

The following is a list of categories of furniture and equipment and their costs.

Estimated Library of Congress Furniture and Equipment Costs Related to the Restoration/Renovation of the Thomas Jefferson and John Adams Buildings

	Thomas Jefferson Building	John Adams Building	Total
Book shelving and interior partitions	$ 211,000	$1,300,000	$ 1,511,000
Special purchase furniture and equipment	1,888,000	351,000	2,239,000
Card catalogs	332,000	163,000	495,000
Reading rooms and meeting rooms	684,000	609,000	1,293,000
Carpeting	971,000	529,000	1,500,000
Office furniture	1,026,000	2,223,000	3,249,000
Total	$5,112,000	$5,175,000	$10,287,000
Contingency fee at 15 percent			1,543,000
Grand total			$11,830,000

Question: Please tell us how much of your $17 million overall increase is required to maintain a current services level, should we all be compelled to cut back next year?

Answer: The Library's actual increase requested for fiscal year 1986 is $13,076,000, of which $9,410,270 is for maintaining services at the current level. The $17,000,000 cited in the question apparently includes the $4,043,000 supplemental requested as the amount necessary to provide for the pay raise for fiscal year 1985.

Question: Dr. Boorstin, the Senate has voted a freeze on all COLAs, including Social Security, as part of its action on the budget resolution. What if we were to ask you to follow that example, and simply forego inflationary increases for fiscal year 1986? If the retired folks can bear that burden for the sake of deficit reduction, why can't you?

Answer: There is no reason why the Library could not bear the burden for the sake of deficit reduction. If, however, the Library were required to forego inflationary increases for fiscal year 1986, we would have to do the following:

1. Not fill vacancies under the Salaries and Expenses, Library of Congress, appropriation with a resultant impact on the acquisition, processing, preservation, and service of the collections. This would affect approximately 50 positions.

2. Receive authority through a technical amendment to the Copyright Office appropriation language to credit an additional $750,000 of receipts to the appropriation to offset the cost of the Licensing Division of the Copyright Office.

3. Defer acquisition of 28,000 talking book machines, out of a total of 70,000 requested, which would impact on the availability of machines for the blind and physically handicapped.

4. Defer the initial acquisition of furniture and equipment for restoration and renovation of the Jefferson and Adams Buildings.

Question: You are requesting 5 new positions in your Copyright Office. What will an Examiner do that a Senior Examiner cannot do?

Answer: There is nothing that an Examiner does that a Senior Examiner cannot also do. The Senior Exmainer, however, handles the more complicated cases.

ADP Equipment: Purchase vs. Lease

Question: How is it that CRS has apparently decided to purchase ADP equipment, while other elements in the Library are still undecided on purchase versus lease: Is there no overall coordination of these procurements?

Answer: In concert with the rest of the Library, CRS is requesting authority to substitute purchase for lease, or vice versa, whenever it is advantageous or cost effective for the Government. In the FY 1986 budget submission funds are requested for purchase of microcomputers because recent experience suggests that for this type of equipment purchase is most economical. All equipment used in CRS is purchased or leased by the Library's Procurement and Supply Division, in accordance with Federal regulations. Therefore, there is overall coordination of Library procurement, and with the flexibility provided by the substitution of purchase/lease when circumstances warrant, the most advantageous procurements can be made.

CRS Conferences

Question: In your response to the question regarding CRS conferences, please prepare an analysis of the program for fiscal year 1984 through 1986 that would display the number and kind of seminars you sponsor, the cost, the funds used to pay for them, and attendance.

Answer:

CRS SEMINARS, WORKSHOPS AND LEGISLATIVE INSTITUTES PROGRAM:
FY 1984 - FY 1986

Fiscal Year	No. Events	No. Participants	Avg. Cost/ Participant/ Day*
STAFF SEMINARS/WORKSHOPS: 1 Day			
1984	65	3029	$1.30
1985 (est.)	65	3100	1.35
1986 (est.)	65	3100	1.41
MEMBER SEMINARS: 1 Day			
1984	6	137	$40.60
1985 (est.)	6	137	42.22
1986 (est.)	6	137	43.91
PUBLIC POLICY INSTITUTE: 3 Days			
1984	1	743	$4.08
1985 (est.)	1	700	4.24
1986 (est.)	1	700	4.41
LEGISLATIVE INSTITUTES (BASIC): 1 Day			
1984	5	637	$14.69
1985 (est.)	4	540	15.28
1986 (est.)	5	700	15.89
ADVANCED INSTITUTES: 2 1/2 Days**			
1984	5	242	$36.66
1985 (est.)	4	190	38.13
1986 (est.)	4	190	39.65
GRADUATE INSTITUTES: 4 Days***			
1984	2	100	$59.08
1985 (est.)	1	50	61.44
1986 (est.)	1	50	63.90
DISTRICT INSTITUTES: (Cosponsored with Senate and House Leadership): 3 Days****			
1984	5	299	$13.58
1985 (est.)	4	280	14.12
1986 (est.)	4	280	14.68

* Does not include CRS staff salary costs

** Registration fee of $60 paid from Member Official Expense Account partially offsets lodging costs; not included above

*** Registration fee of $75 paid from Member Official Expense Account partially offsets lodging costs; not included above

**** Member offices pay all travel and lodging costs for their staffs; not included above

Logistical support for the seminars, workshops and institutes is paid from various allotments, including: 21A Travel, 23E Rental of Equipment, 24L Offset Reproduction, 25A Miscellaneous Services, 25F Professional and Consultant Services, and 26A Office Supplies. In the case of the Advanced and Graduate Legislative Institutes, Member offices pay registration fees which partially offset lodging costs; in the case of District Institutes, Member offices pay all travel and lodging costs for their staffs.

A small number of institutes which focus on the legislative process are conducted away from Capitol Hill—in FY 1984 there were 13. The "off the Hill" location for these events is necessary to provide total concentration and an "immersion" environment conducive to learning this kind of step-by-step process information. A typical day at these institutes will start at 9:00 a.m. and end at 9:00 or 10:00 p.m. This is deliberate because some of the learning process occurs outside the lecture format, in conversations and informal sessions with faculty. Holding events like these is a well-established educational practice; we do, however, use it sparingly in order to keep costs down. During FY 1984 the Advanced Institutes were held at a conference center in Hagerstown, Maryland; the Graduate Institute is conducted annually at Washington College in Chestertown, Md.; and the Basic Institute is held in the National War College facilities at Ft. McNair in Southwest Washington. We chose these locations based on appropriate and effective support for such conferences, relative proximity to Washington to limit travel time and costs, and overall facility costs.

Automated Systems Assistants

Question: You are requesting nine new positions in CRS. Can the expertise of any of these potential staff members be borrowed from the Library? For example, can the two Automated Systems Assistants be shared by you with existing staff in the Library? Similarly, can any automated data processing equipment be shared with the Library?

Answer: As the following chart illustrates, there is a clear division of responsibility between CRS and Library support offices for activities related to microcomputers. The two Automated Systems Assistants are requested to provide specialized support to CRS divisions on appropriate software, including training and on-site assistance to researchers. It is important that these positions be organizationally located in the Service since effective support for this type of activity depends on the Service's ability to set priorities and control resources, and not compete with other worthy Library activities.

With regard to sharing ADP equipment, CRS does make extensive use of Library mainframe and minicomputer facilities. Microcomputers are one means of access to the mainframe. In addition, microcomputers are becoming an increasingly essential tool for some applications, and their utility depends upon immediate access, much in the way researchers need access to telephones. In the CRS environment, immediate access to essential tools is a precondition of providing Congress with fast and responsive service.

DIVISION OF RESPONSIBILITY FOR VARIOUS ACTIVITIES RELATED TO MICROCOMPUTERS IN THE CONGRESSIONAL RESEARCH SERVICE

	ADP BUDGET PLAN	EQUIPMENT	SOFTWARE	MONITORING USAGE	TRAINING	SECURITY	TROUBLE SHOOTING	TECHNICAL SUPPORT
LIBRARY	* ASO, FMO, P&S: Provides ALM review of all department Annual Workstation Acquisition Plans and recommends adjustments to Associate Librarian * Associate Librarian of Congress: Reviews and approves or revises plans * ASO: Establishes allocations for ASO-funded items (communicating ADP workstations) and refers non-communicating items to department for inclusion in CRS appropriation request in accordance with guidelines established under Library "Guidelines..."	* ASO: Assures that requests adhere to approved ADP plan & submits request for purchase to P&S * P&S: Orders equipment in accordance with Federal procurement regulations * ASO & P&S: Maintain Library equipment inventory	* ASO: Maintains inventory of license registrations * ASO: Provides technical consultation on selected programs it has evaluated * P&S: Orders software in compliance with Federal procurement regulations	* ASO: Provides data to departments where possible as required by "Guidelines" * CAP: Reviews workstation usage reports submitted by departments during budget preparation process	* TRNG: Approves training requests * TRNG: Provides training to meet Library-wide needs when possible * TRNG: Delegates specialized training to departments in accordance with Library policy and regulations	* BLDGS: Provides building security and advises on appropriate department and division measures to secure equipment * P&S: Orders security devices such as cables and locks	* ASO: Provides "Hot-Line" service on mainframe applications * ASO: Arranges hardware service for all Library ADP equipment through P&S * P&S: Makes contract arrangements for service agreements	* ASO: Provides technical support for longterm production applications (e.g. SCORPIO, ISIS, ROSCOE, SASGraph, etc.) in accordance with CAP Library-wide priorities
DEPARTMENT	* Reviews & revises division requests in accordance with multi-year plan developed by Department Management Committee * Prepares Annual Workstation Acquisition Plan for submission to the Associate Librarian * Submits appropriation estimate for non-communicating ADP workstations to be funded by department in accordance with "Guidelines..."	* Submits to ASO "Requests for Service" to initiate purchase of ASO-funded items * Consults with ASO on CRS-funded items & submits requests to P&S * Verifies equipment inventory as required by P&S and ASO	* Conducts technical evaluation of request in consultation with ASO and selects appropriate software to meet division needs * Subject to availability of funds, submits request to P&S * Submits license registration information to ASO	* Collects data on workstation usage and prepares reports as required by "Guidelines"	* Sends staff to scheduled Library-wide training sessions * Provides in-house training when possible on specialized applications supporting CRS research & reference activities * Arranges for external training through appropriate Library office (Trng, Budget, P&S)	* Collects information on division procedures and arranges for purchase of security devices as required	* AIS: Screens trouble calls and: 1. For hardware problems arranges for service through ASO 2. For software problems, solves when possible, seeks outside assistance when necessary 3. For operator problems, solves problems & arranges for training when necessary	* AIS: Provides technical support on immediate & urgent congressional requests which require specialized systems support
DIVISION	* Submits needs & justification to Director for equipment & software		* Requests software needed to meet specialized needs	* Records data usage at terminal locations	* Identifies training needs * Nominates staff to attend training sessions	* Develops internal lock-up and sign-up procedures for equipment and software		* Provides within each division assistance on division research projects utilizing microcomputers by providing data entry and manipulation

LEGEND OF SYMBOLS USED:
AIS - Office of Automated Information Services
ALM - Associate Librarian for Management
ASO - Automated Systems Office
BLDGS - Buildings Management Division
CAP - Committee on Automation Planning
FMO - Financial Management Office
P&S - Procurement and Supply Division
TRNG - Staff Training and Development Office
"Guidelines..." - Guidelines and Procedures for Requesting Funding and Monitoring ADP Workstations at the Library of Congress
Monitoring ADP Workstations at the Library of Congress

SENATOR BUMPERS' QUESTIONS

Senator D'AMATO. I also have a number of questions for the record on behalf of Senator Bumpers, who is right now on the Senate floor, and I will submit them for the record. I would ask that you respond to them.

Dr. BOORSTIN. We would be happy to, Mr. Chairman.

Senator D'AMATO. Good to see you again, Dr. Boorstin.

Dr. BOORSTIN. Thank you, sir.

[Senator Bumpers' questions for the record follow:]

QUESTIONS SUBMITTED BY SENATOR BUMPERS

Question: What is the total budget increase for all Library of Congress programs? How much of that is required to maintain the current level of services and how much is for program expansion? What are the key items of program expansion?

Answer: The total budget increase requested for all Library of Congress programs is $13,076,000 (+5.7%). That amount is made up of $9,410,270 for current level purposes and $3,665,730 for program expansion. Under the current level category, $5,041,420 is needed for mandatory increases (ingrades and reallocations, annualization of pay raises, accident compensation, and adjustment in hourly rate). An additional $3,950,000 covers our request for furniture and furnishings for the restoration and renovation of the Jefferson and Adams Buildings. The current level requests also reflect a decrease of $1,277,675 connected with the transfer of the overseas program involving India.

The remaining $1,696,525 covers the projected price level changes in purchasing supplies and equipment, travel costs, paper, training, telephone rates, and other non-personal items.

The program expansion amount includes $1,303,469 for 46 new positions and 2 indefinite positions, $921,145 for furnishings and equipment, $478,516 for rental of additional equipment, $240,000 for preservation projects, $200,000 for braille books and sound reproductions, and $522,600 for other miscellaneous non-personal items.

Question: In view of the current budgetary situation, why does the Library budget request growth increases over and above the amount needed to cover inflationary costs?

Answer: There are several reasons a no-growth budget request for 1986 was not presented. First, formulation of the Library's budget begins almost a year before Congressional hearings take place. Consequently, it is difficult to gauge the budgetary situation with a great degree of precision that far in advance. Secondly, the Library is a dynamic institution and hence constantly reacting and attempting to fulfill the changing requirements of the Congress, the library community across the country, and to the needs of the public. Growing collections of materials require additional staff to process and maintain them in order to prepare them for use. A number of Library programs and increases are directly related to fulfilling requirements of legislation. A prime example of this is additional staff requested to support the 500th anniversary of Columbus' voyage. Public Law 98-375, which established the Columbus Quincentenary Jubilee Commission, mandated that the Library of Congress support this momentous event. Another example of increased workload as a result of legislative initiative is a requested increase in Copyright Office staff to process additional claims resulting from a new law which provides for the copyright protection of semiconductor chips.

Requests for additional CRS staff is generally a reaction to requests by the Congress to improve either the type or quality of service to the Congress. Requested growth of the National Library Service for the Blind and Physically Handicapped is an area where the Library is reacting to increasing demands for new or improved service by a very vocal and well-organized clientele group.

In conclusion, requested growth in staff or services by the Library is almost always an attempt to satisfy demands by the many users of the Library.

Question: How does the Library of Congress assist local libraries? For example, how do the various libraries in my home State of Arkansas benefit from the programs of the Library of Congress? Could you please respond to that question, Dr. Boorstin?

Answer: The Library of Congress' assistance to local libraries is many-faceted. Libraries indirectly benefit from all research and development carried on by the Library of Congress. As examples, automation of library activities and preservation are important priorities for libraries and the results of Library of Congress research are available to all libraries.

The Library of Congress provides cataloging information to libraries in the books itself through cataloging in publication, on conventional printed catalog cards, and on magnetic tape. Using these services, libraries do not have to do original cataloging for the books they receive thus saving considerable dollars in professional staff. The Library of Congress' Cataloging Distribution Service has 50 active accounts from the State of Arkansas. The Library of Congress also provides essential library tools, such as technical manuals, union catalogs, subject headings lists, and bibliographies to libraries in the State of Arkansas.

The National Library Service for the Blind and Physically Handicapped provided books in braille and talking books and the machines on which to play them to the Library for the Blind and Physically Handicapped in Little Rock and subregional libraries in Fayetteville, Fort Smith, Jonesboro, and Magnolia. Last year there were 8,420 users of this service in Arkansas and there was a circulation of 213,100 items.

From our overseas acquisitions programs in Pakistan, the University of Arkansas and the University of Central Arkansas receive English language sets of publications.

Six Arkansas institutions selected materials from the Surplus Book Program during 1984.

The Monthly Checklist of State Publications listed 677 titles from Arkansas in its 1984 issuances, thereby making information about Arkansas State publications known nationwide.

Year of the Book

Question: Dr. Boorstin, I am advised that the Library has conducted an event or two related to the "Future of the Book." Would you like to comment briefly?

Answer: A concurrent resolution of the Congress authorized a study of the changing role of the book in the future to be made by The Librarian of Congress under the auspices of the Center for the Book in the Library of Congress. The report was transmitted to the Congress in the Fall of 1984. The report concluded that ours is the culture of the book, but that this tradition is now threatened by the twin menaces of illiteracy and aliteracy. It has received favorable attention in the press and in library literature. The Center for the Book will continue to promote reading, working with private and public institutions.

Computers in the Legislative Branch

Question: About six years ago, this Subcommittee conducted a special hearing on computers in the Legislative Branch. The idea was to see if the growth in the use of computers was planned and coordinated, or whether there was duplication and overlap in this area among the Legislative Branch agencies. The net result of the hearings was that some unplanned growth was identified and corrective actions were taken to stimulate the Legislative Branch agencies to develop five-year coordinated plans to eliminate duplication, overlap and unplanned growth. How does the Library of congress stand in this area currently?

Answer: To date the Automated Systems Office has not been formally charged with developing five-year coordinated plans that include other Legislative Branch agencies; however, on major procurements, such as disk drives, CRT terminals, and teleprocessing control units ("front ends"), we have informally met with and discussed procurement issues with House and Senate staff prior to advertisement of requests for proposals to the industry to eliminate duplication of effort and long delays in the procurement process when more than one agency is seeking the same requirements. Two recent examples are the Library's disk drive procurement which was extended to include the Senate and the asynchronous communications terminal procurement which was awarded by the Senate and extended to the Library. The Library also assisted the House in the implementation of automated computer scheduling system. There also has been discussions with House staff on long-range telecommunications planning.

Books for the Blind and Physically Handicapped

Question: The budget request includes $38,402,000 for the Library's program for "Books for the Blind and Physically Handicapped." How is this program working and can you please describe it?

Answer: The program is working in an efficient, cost-effective manner.

The national library program of braille and recorded materials for blind and physically handicapped persons is administered by the National Library Service for the Blind and Physically Handicapped (NLS), Library of Congress. With the cooperation of authors and publishers who grant permission to use copyrighted works, NLS selects and produces full-length books and magazines in braille and on recorded disc and cassette. Reading materials are distributed to a cooperating network of fifty-six regional and more than one hundred subregional (local) libraries where they are circulated to eligible borrowers. Reading materials and playback machines are sent to borrowers and returned to libraries by postage-free mail. Established by an act of Congress in 1931 to serve blind adults, the program was expanded in 1952 to include children, in 1962 to provide music materials, and again in 1966 to include individuals with other physical impairments that prevent the reading of standard print.

Funding The NLS program is funded annually by Congress. The fiscal year 1985 appropriation is $36,592,000. Regional and subregional libraries receive funding from state, local, and federal sources. The combined expenditure for the program is approximately $60,000,000.

Eligibility Anyone who is unable to read or use standard printed materials as a result of temporary or permanent visual or physical limitations may receive service. A survey sponsored by NLS found that two million persons with some type of visual impairment may be eligible and another million with physical conditions such as paralysis, missing arms or hands, lack of muscle coordination, or prolonged weakness could benefit from the use of reading materials in recorded form.

Circulation and Readership For fiscal year 1984 network libraries reported a total circulation of 19,027,000 books and magazines to 533,900 individuals and institutions in the United States and its territories, and to American citizens living abroad. Recorded discs accounted for 11,068,000 items circulated, recorded cassettes 7,264,000 items, and braille 695,000 items. Many regional and subregional libraries also have collections of large-type books for circulation to handicapped readers.

Book Collection Books are selected on the basis of their appeal to a wide range of interests. Bestsellers, biographies, fiction, and how-to-do-it books are in great demand. The national book collection currently contains more than 41,000 titles, with a total of approximately 11,000,000 copies of braille and recorded books. Each year approximately 2,000 press-braille, disc, and cassette titles are mass-produced for distribution through network libraries. In addition, 300 braille titles are produced by volunteers and circulated in limited quantities to readers. Titles expected to be extremely popular are produced on flexible disc in several thousand copies and circulated to borrowers within several months of their publication in print form. A limited number of titles are produced in Spanish and other languages for readers whose primary language is not English. Registered borrowers learn of new books added to the collection through two bi-monthly publications, Braille Book Review and Talking Book Topics. Through a union catalog available on microfiche and in computerized form, every network library has access to the entire NLS book collection and to the resources of several cooperating agencies.

Magazines Seventy magazines on disc and in braille are offered through the program. Readers may request free subscriptions to U. S. News and World Report, National Geographic, Consumer Report, Good Housekeeping, Sports Illustrated, Jack and Jill, and many other popular magazines. Current issues are mailed to readers at the same time the print issues appear, or shortly thereafter. Magazines are selected for the program in response to demonstrated reader interest.

Equipment and Accessories Playback equipment is loaned free to readers for as long as recorded materials provided by NLS and its cooperating libraries are being borrowed. Talking-book machines are designed to play disc recorded books and magazines at 8 rpm and 16 rpm; cassette-book machines are designed for cassettes recorded at 15/16 ips and the standard speed of 1 7/8 ips on 2 and 4 sides. Available accessories for playback equipment include headphones and pillowphones. Readers with very limited mobility may request a remote-control unit; hearing impaired readers may be eligible for an auxiliary amplifier for use with headphones.

Music Services Persons interested in music materials may receive them directly from the Music Section of NLS. The collection of over 30,000 items consists of scores in braille and large type; textbooks and books about music in braille, large type, and recorded forms; elementary instruction for voice, piano, organ, guitar, recorder, accordian, banjo, and harmonica in recorded form.

Volunteer Services Free correspondence courses leading to certification in braille transcribing (literary, music, and math braille) and braille proofreading are offered. Voice auditions and informal training are given to volunteer tape narrators affiliated with local recording groups. During fiscal year 1984, almost 300 volunteers became braillists, braille proofreaders, or tape narrators through the NLS program. Thousands of volunteers throughout the United States produce books for libraries and individual readers. Approximately 3,000 Telephone Pioneers, senior or retired telephone industry workers, contribute their time and skills to the maintenance and repair of playback equipment. Volunteers repaired 92,000 talking-book and cassette-book machines in 1984.

Information Services Questions on various aspects of blindness and physical handicaps may be sent to NLS or to any network library. This service is available without charge to individuals, organizations, and libraries.

Research and Development The NLS research program is directed toward improving the quality of reading materials and equipment, reducing costs, and speeding delivery of services to readers. Current projects include (1) testing advanced technological approaches to the production of braille reading materials in cooperation with the American Foundation for the Blind, (2) the design and manufacture of a single unit to play both cassette and disc recordings and an easy-to-operate cassette machine for readers who prefer only a minimum number of controls, and (3) implementation of a network system that will link NLS by computer to all participating libraries, book and magazine producers, and distribution centers. The Consumer Relations Section maintains regular contact with consumer groups and individual users of the program to identify service problems and to assure that users' needs are being met. Surveys, field testing new equipment, and participation on advisory committees are a few of the ways in which consumers contribute to program development.

Furniture and Furnishings

Question: The budget request includes $3,950,000 for furniture for the two older Library of Congress buildings (Jefferson and Adams) after the current restoration effort is completed. Isn't this request somewhat premature? If the budget had to be cut, wouldn't this be a good place to trim back?

Answer: Both the Jefferson and Adams Buildings are going to be worked on in two construction phases lasting approximately two and one half years each. Half of each building will be worked on simultaneously. At the end of each construction phase, half of each building will be furnished in accordance with a general design concept worked out by the Architect of the Capitol, and the furnished space will be occupied. Based on the Architect of the Capitol's latest master project schedule, the Library now estimates it will be possible to defer a funding request for furnishings until fiscal year 1987.

Congressional Research Service Budget

Question: Mr. Gude, the budget for the Congressional Research Service includes $43.3 million and 869 positions, an increase of $2.5 million and 9 positions. Is there anything you would like to say for the record, that hasn't already been said, regarding this request?

Answer: The funds requested for FY 1986 are predominantly to maintain our current level of service to the Congress. Of the $2,542,000 increase requested, $1,874,997, almost 74%, is for mandatory costs such as the annualization of the FY 85 payraise, ingrades and reallocations, hourly rate adjustments and for inflation. The remaining amount of $667,003 is requested to improve research and reference methodology through the introduction of microcomputer technology in the Service.

CRS represents a pool of information, reference and research analysts who, unlike other support agency staff, serve all Members, all committees, and all congressional staff. We are a labor intensive organization relying heavily on our staff expertise. Personnel costs account for 86 percent of our budget. Moreover, there is no restriction on the topics we cover and the material we provide is available in a variety of formats to suit the widely varying needs and deadlines of our clients. Timeliness is the key to CRS's effectiveness since the value of the information we provide is quite often a function of the legislative calendar. No other support agency, or executive agency for that matter, combines the characteristics of extensive research and analysis and speed to the degree we do.

Because the Congress is a dynamic institution, we are organized for maximum flexibility. Our staff has been selected not only to cover the important public policy issues of the day but also to provide specialist back-up to Hill staff, who are often generalists. Consequently, the range of topics we cover, together with extensive expertise within these topic areas, provides our congressional clients with an institutional memory that is at once both macro and micro. We have also integrated our staff and activities so that research, reference, and support staff, as well as our limited nonpersonal services expenditures, mutually reinforce each other and contribute to greater economy and effectiveness in serving the information needs of Congress. As a result, the organization as a whole is greater than the sum of its parts; elimination of some of the parts would have totally unexpected and disproportionately negative effects on the whole.

Funding below the level needed to maintain current service would have a serious effect on all of our services to the Congress and would affect every response format and every mode of delivery. Greater turn-around time would be required for almost all requests; delivery of materials to Congressional offices would be delayed; some major projects might be reduced in scope and depth; bill digesting might not keep pace with the legislation that is introduced; expertise lost through resignations and retirements might not be replaced by new hiring; analytical work requiring the knowledge and skills of outside consultants might not be done; Info Packs would be updated less frequently and, to avoid distributing inaccurate information, may be unavailable for considerable periods of time; delays would occur in answering telephones and typing reports. Many requests which are currently handled with a few minutes of searching on a commercial data base would have to be done manually, if possible, which could require hours of searching; many would have to be turned down. We would have to reduce the number of books and serials used by our staff and directly by Congressional staff in the Reading Rooms and Reference Centers. This may mean that some information will be unavailable to respond to requesters, or that considerable delays will be necessary to get the material. If materials can be found in the Library's general collections, removal from the shelves will mean that the material is not available to Congressional staff, scholars, and the public who may seek it. Reduction in printing and photocopying will increase turn-around time. This would have the greatest negative impact on Hill offices which urgently need information on a "Rush" basis, with deadlines within an hour of the request. It is also distressing that a freeze might jeopardize our program of substantially strengthening our analytical capabilities and increasing productivity through the introduction of microcomputers.

In sum, these are but a few of the effects of the kind of "cutting back" which may be required by absorbing mandatory and current level costs. If such measures are necessary, the impact on our organization would be highly undesirable. It is important for the Service to be able to attract and keep highly qualified staff. Uncertainties about continued employment, and inability to continue professional development, make that very difficult.

The CRS has evolved over a 70-year period to its present capabilities; we are now handling a workload of over 442,000 inquiries and have been able continually to absorb workload increases on the order of 5% without commensurate increases in staff and nonpersonal resources. But the CRS is not the kind of organization that, like a water spigot, can be turned on or off. Recruiting, training and integrating the proper mix of professionals, information specialists and support staff is not an overnight task; it is effective only when the efforts are continual.

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ARCHITECT OF THE CAPITOL

STATEMENT OF GEORGE M. WHITE, ARCHITECT OF THE CAPITOL

ACCOMPANIED BY WILLIAM L. ENSIGN, ASSISTANT ARCHITECT

Senator D'AMATO. Next we welcome Mr. George White, the Architect of the Capitol, who will testify in support of this fiscal 1986 budget request, which includes an increase of the $27,356,100 and 13 new positions over fiscal year 1985.

Mr. White, we welcome you, and also your assistant, Mr. Ensign. We look forward to your testimony. I'm sure that there will be a number of questions, both here and for the record. Please proceed as you see fit.

OPENING STATEMENT

Mr. WHITE. Thank you, Mr. Chairman. I would like to proceed in the same manner as I have done in the past, and that is to present a brief summary of the various requests.

The justifications have been prepared to include all of the items pertaining to the Architect of the Capitol, including Senate items, House items, joint items, and the Botanic Garden. The total appropriation, as you mentioned, for fiscal year 1986, that is the request, is $121,768,000, which includes funding for 2,086 positions. This represents a net increase of $27,356,100 and an additional 13 positions over the fiscal year 1985 totals of $94,411,900 and 2,073 positions. The gross increases, stated differently, are $33,449,200, which have been reduced by nonrecurring fiscal year 1985 program deductions.

If the House office buildings item is excluded, then the increase reduces to $12,997,200, of which $5,732,000 is for Senate office buildings and the 13 additional positions remain unchanged. I am going to have something specific to say about those positions in a moment, Mr. Chairman.

BUDGET INCREASES

The total increase falls into five categories. Mandatory items, which total 5 percent of the increase, and those are annualization of Civilian Pay Act and wage-rate pay increases and related benefits and premium pay items which occur every year.

The new positions, which total $291,600, or 1 percent of the increase, include 11 positions in the "Salaries, Architect of the Capitol" appropriation, and two are for Capitol grounds. The two for Capitol grounds I am going to mention in a moment. They are being requested to provide additional staffing to handle increased workload demands; implement new, expanded, and improved programs; and, in general, apply appropriate efforts to respond to and improve our overall services to the Congress.

I should like to emphasize that five of these new positions will improve our central office management capacity, particularly in critical functions such as contract documentation, training, project scheduling and coordination, and personnel improvements. These benefits, in my judgment, will result in cost savings that will outweigh the increase in personnel costs. They are not measurable in specific terms but, in my judgment, it will result in that.

Annual recurring maintenance, which totals 2 percent of the increase, $640,000, and there are various items. The largest one is the one for maintenance and rental of office equipment which represents 56 percent of the total in that category.

CYCLICAL MAINTENANCE

Cyclical maintenance, which totals 6 percent of the increase, is $2,166,000. I defined this category in the past as really long-term maintenance items that arise only once in 10 or 20 years, such as roof repairs, sidewalk replacement, and so forth. Five of the largest items, in monetary terms, are the replacement of the air-conditioning units at the Senate Computer Center and the Dirksen Senate Office Building, the replacement of central processors for the fire and life safety and security systems in the James Madison Memorial Building, and several others that are listed here in the statement.

The last category is continuing and initiating other programs, which totals 86 percent of the increase. Included in that category are an Energy Management Program of $1,185,000; renovations to certain areas in the Capitol Building, the House office buildings and the Senate Computer Center, $404,000; conservation of the Rotunda frescoed canopy and frieze and several wall paintings, and several other items that are listed there. But the largest of these, Mr. Chairman, is improvements to the Longworth fire protection, electric power, and telephone and data communications wiring systems. That is $18.5 million.

Senator D'AMATO. They can wait just the way we waited.

Mr. WHITE. That is, of course, your decision to make. I must say, in that regard, that we mentioned the total.

PREPARED STATEMENT

At this point I would like to submit my prepared statement for insertion in the hearing record, after which I would be pleased to respond to whatever detailed questions you may have.

[The statement follows:]

STATEMENT OF GEORGE M. WHITE

In presenting our appropriations request for fiscal year 1986, Mr. Chairman, I intend to proceed, with your approval, in the same manner as has been the practice the past several years, that is, to present a brief summary of the various requests, following which I will be pleased to respond in detail to questions regarding any of the specific items that you wish to pursue.

The justifications have been prepared, Mr. Chairman, to include all items pertaining to the "Architect of the Capitol," including Senate items, House items, joint items, and the Botanic Garden.

The total appropriation request for fiscal year 1986 is $121,768,000, which includes funding for 2,086 positions. This represents a net increase of $27,356,100 and an additional thirteen positions over the fiscal year 1985 totals of $94,411,900 and 2,073 positions. Stated differently, gross increases requested are $33,449,200 which have been reduced by nonrecurring fiscal year 1985 program deductions amounting to $6,093,100 and the position request remains unchanged. If the item "House Office Buildings" is excluded, the $33,449,200 increase for 1986 reduces to $12,997,200, of which $5,732,000 is for Senate Office Buildings, and the thirteen additional positions remain unchanged. The $33,449,200 increases fall into five categories, namely,

Mandatory Items, which total $1,498,600, or 5% of the increase; This category includes annualization of Civilian Pay Act and Wage-rate pay increases effected in January 1985, related benefits and premium pay items for existing positions and within-grade salary advancements authorized by law.

New Positions, which total $291,600 or 1% of the increase; Thirteen additional positions are requested of which eleven are for "Salaries, Architect of the Capitol" and two are for "Capitol Grounds." They are being requested to provide needed staffing to handle increased workload demands, implement new, expanded, and improved programs, and, in general, apply appropriate efforts to respond to and improve overall services to the Congress. I should like to emphasize that five of these new positions will improve our central office management capacity, particularly in critical functions such as contract documentation, training, project scheduling and coordination, and personnel improvements. These benefits, which will result in cost savings, will in my judgment, outweigh the increase in personnel cost.

Annual Recurring Maintenance, which totals $640,000, or 2% of the increase; This category contains one significant increase of $361,500 for maintenance and rental of office equipment, which represents 56% of the total in this category. The balance of $278,500 is required to finance normal maintenance responsibilities, such as repairs and improvements to electrical, air conditioning and other mechanical systems; procurement of supplies and materials and equipment; and painting and exterior pointing and caulking. Of the total increase of $640,000 approximately $304,000 represents inflationary increases.

Cyclical Maintenance, which totals $2,166,000 or 6% of the increase; As indicated in the past, I define this category as long term maintenance items that arise only once in ten or twenty years, such as roof repairs, sidewalk replacement and so forth. Five of the largest items, in monetary terms, requested under this category are the replacement of air conditioning units at the Senate Computer Center and the Dirksen Senate Office Building ($999,000), replacement of central processors for the Fire and Life Safety and Security System in the James Madison Memorial Building ($265,000), replacement of raised floor, HIS computer center, House Office Building Annex No. 2 ($100,000), replacement of concrete sidewalks, and resurfacing and providing improved lighting of squares S635 and 639, Capitol Grounds ($376,000), and replacement of several units of motorized equipment to be used at the Capitol Grounds and Botanic Garden ($97,000). The remainder of $329,000 is required for eight miscellaneous items for property and equipment maintenance and replacement.

The last category is Continuing and Initiating Other Programs, which totals $28,853,000, or 86% of the increase; Included in this category are funds for such programs as that of an energy management program $1,185,000; renovations/alterations to selected areas in the Capitol Building, House Office buildings and Senate Computer Center, $404,000; conservation of the Rotunda frescoed canopy and frieze and several wall paintings in the Capitol Building, $968,000; installation of peak shaving electric generators at the

Capitol Power Plant, $1,880,000; installation of two new elevators to provide additional service, $600,000, and installation of an energy and cost saving lighting control system in the James Madison Memorial Library, $525,000; construction of a catering kitchen for the House Restaurants, $852,000; improvements to the Longworth fire protection, electrical power and telephone and data communication wiring systems, $18,500,000; procurement of furniture and furnishings for the Hart and Immigration Buildings, $2,380,000; replenishment of reprogrammed funds for electrical wiring and alterations for ADP equipment in the Senate Office Buildings, $1,200,000; and $359,000 for five other items.

With regard to our request for new positions, I would like to notify the Committee that we are now prepared to withdraw the request for the two positions in "Capitol Grounds." These positions were requested to provide drivers for an additional shuttle van which is scheduled for delivery in the near future. We have made an analysis of our Capitol Grounds staffing and now believe that we can provide the drivers from within existing sources.

At this time, Mr. Chairman, I thought it appropriate to mention three items of unique importance.

First, I have provided, through inclusion in the requested 1986 appropriations language of the Capitol Buildings, Capitol Grounds, Senate Office Buildings and House Office Buildings, pertinent language to authorize my office to engage contractors without regard to section 3709 of the Revised Statutes, as amended, for the prevention and eradication of insect and other pests.

Second, a consultant was retained to study ways of improving service to the Senate Subway System. Based on their initial findings, it was concluded that the subway system should either undergo extensive redesign and modernization or be replaced with a currently available new technology system. The consultant is presently preparing cost estimate comparisons. There is the possibility that this project will be forthcoming as a 1985 supplemental request.

Finally, as you may recall, funds in the amount of $1,521,000 were appropriated for fiscal year 1985 in Public Law 98-367, approved July 17, 1984, for demolition of several Senate Annexes and paving the lots. One of the annexes scheduled to be demolished, the Plaza Hotel, is occupied by the Capitol Police. Because of the scheduled Immigration Building renovation, the Capitol Police must remain in the Plaza Hotel until the Immigration Building work is completed, which is scheduled for late 1986 or early 1987, after which the Police must move to the new facility. I am therefore requesting that the funding for demolition, which was appropriated on an annual basis, be carried over on a "No Year" basis to provide for the demolition of the Plaza Hotel and subsequent grading and paving of the site after the Capitol Police vacate the building.

Mr. Chairman, that concludes my brief summary and I shall be pleased to respond to questions that you and the Committee may have.

HART BUILDING ELEVATOR DELAYS

Senator D'AMATO. I would like to know why we have such an abysmal operation relating to ensuring that the air conditioning is functioning properly in the Hart Building so that the computers don't go down. And why it is that people who come to work have to wait 10 minutes for the elevators to arrive; even in the nonrush periods, you still have to wait an inordinate amount of time.

If you could calculate it in terms of money wasted and time spent just waiting, you can run into hundreds and thousands of dollars. I would like for you to tell me for the record what you are doing to correct the situation with respect to the operation of the elevators, specifically in the new Senate Hart Building.

Mr. WHITE. First, let me say that you are absolutely right; the condition there is unacceptable. We have recognized that now for some time and we have been making efforts at redesign of the complicated electronic control system. We have done a couple of things already to modify the manner in which the elevators respond, particularly to the basement level, where the subway arrives.

But the electronic control boards, I will call them, that are part of the system, need some design modification in order to modify the way in which the elevators respond to the calls of the various floors.

That is being done. Because it is a design problem rather than a physical repair problem, it is taking more time than I had hoped it would. It is in process, and over the next few months, 3 or 4 at the most, it will be resolved.

Senator D'AMATO. Who is doing it?

Mr. WHITE. It is under the direct control of our Director of Engineers, Mr. Ray Carroll.

Senator D'AMATO. What is he doing?

Mr. WHITE. They are——

Senator D'AMATO. Is he here?

Mr. WHITE. Yes.

Senator D'AMATO. May I speak to him?

Mr. WHITE. Sure. Ray, come forward.

Senator D'AMATO. Mr. Carroll?

Mr. CARROLL. Good morning.

Senator D'AMATO. When you say that it is a design problem and you are working on it, I don't understand. Tell me what you mean and what are you working on; what are you doing and what do you anticipate the results of your effort will be?

ELEVATOR CONTROLS STUDY

Mr. CARROLL. Senator, the elevators that we have, of course, were those supplied by the successful bidder on the Hart Building project, and once they were put into full service, it became apparent to us that the control system supplied was not serving our needs, as you have so aptly put it.

It took considerable time to find out even what the control system was doing that was not right. On the other hand, the control system we have is the one that they supply as a standard with their product. So in a sense, we got what we asked for. On the other hand, it is not what we want.

We are now in the process of putting out for bids, as we must do under the law, a new control system modification, a complete change, as Mr. White said, of the electronic boards that control how the elevators respond to calls.

That will be out for bid very shortly. It has been prepared. It is in its final review. It is going through the contract process. Then, of course, the successful bidder on that will have to come in and take the old system out and put the new system in.

Senator D'AMATO. How much will that cost?

Mr. CARROLL. Around $150,000.

Senator D'AMATO. How long before the bids are received?

Mr. CARROLL. Probably 2 months from now before the bids are received.

Senator D'AMATO. How long will the work take?

Mr. CARROLL. The work shouldn't take more than another 2 or 3 months to acquire, to redo the control scheme, to build the new boards and to replace them in the electronic control system.

CONTRACT TIMING

Senator D'AMATO. So we are talking 5 or 6 months?

Mr. CARROLL. I would say close to 6 months before the system is completely changed out.

Senator D'AMATO. The delay in the time it will take for the bids to come in in the next 2 months is occasioned as a result of what?

Mr. CARROLL. Well, the process of literally administering the contract and getting it on the street and taking bids and reviewing bids for the legal ramifications and so on.

Senator D'AMATO. Have you come up with a new design?

Mr. CARROLL. Oh, yes; we have done that.

Senator D'AMATO. So that you have the technical work.

Mr. CARROLL. Right.

Senator D'AMATO. It has been completed?

Mr. CARROLL. Right; we are ready to go on the street.

Senator D'AMATO. Now it is just a matter of putting that contract out for bid?

Mr. CARROLL. That is right.

Senator D'AMATO. Isn't that a priority?

Mr. WHITE. Absolutely.

Mr. CARROLL. Absolutely. Mr. White made that clear.

Senator D'AMATO. Can I have a more definite time for the record as to when you are going to put this out for bid?

Mr. WHITE. It will be in our Contract Division to put out, that is, the technical aspects completed, on Monday, this coming Monday. It will probably take a week to 10 days for them to prepare the bidding documents.

Senator D'AMATO. Will you tell them that you have 50-plus Senators and their staffs and visitors who have lived with this situation for how long now?

Mr. WHITE. A long time.

Senator D'AMATO. How long?

Mr. WHITE. A couple of years.

Senator D'AMATO. A couple of years, and that we would like to have this process completed by Friday, not a week or 10 days or 2 weeks or 3 weeks, but Friday, can it be done?

Mr. WHITE. I am sure we will find a way.

Senator D'AMATO. A bid is a bid. You give your contract lawyer the information, the technical information. Is this going to be much different than other bids that you have prepared?

Mr. WHITE. No, no.

PRIORITY ASSIGNATION

Senator D'AMATO. So if you put it at the top of the list and assign it priority, can it be done in 48 hours?

Mr. WHITE. I am not prepared to say.

Senator D'AMATO. Who is in charge of that area?

Mr. WHITE. Mr. Raines, my Administrative Assistant.

Senator D'AMATO. Mr. Raines, if you assign that priority and say to your attorneys, "We want it done today," can it be done in 24 hours, 1 working day, 2 working days?

Mr. RAINES. As soon as we get the specs we can proceed. We are getting it ready to go on the street.

Senator D'AMATO. You are going to get the specs Monday; is that correct?

Mr. CARROLL. Yes, sir.

Senator D'AMATO. When can we have that ready to go out for bid then?

Mr. RAINES. We can have it prepared in 48 hours.

Senator D'AMATO. Forty-eight hours. That means Tuesday, Wednesday. Will you then send it out for bid? What is the next process? It leaves your office. Who sends it out for bid?

Mr. RAINES. The Contract Office takes care of that.

Senator D'AMATO. You will put it out for bid. What is the bidding time required, a 20-day period, 30-day period?

Mr. WHITE. We think 3 weeks should be adequate, primarily because these are not specialty items.

Senator D'AMATO. Primarily because there are enough contractors in the area who would respond, et cetera, and you will circulate it well?

Mr. WHITE. Yes, yes.

Senator D'AMATO. Will you assure this committee that by no later than the close of business Wednesday that bid process will begin? What do you do, do you place that in a newspaper? What are the technicalities? What are the kinds of things you do?

Mr. RAINES. We advertise in Commerce Business Daily and we send it to the prospective bidders.

Senator D'AMATO. What is Wednesday?

Mr. KENNEDY. The 22nd.

Senator D'AMATO. By the close of business on the 22nd, will you have that bid undertaken? Do you feel that you can do that?

Mr. RAINES. Yes, sir.

Senator D'AMATO. And you will have a return date of 3 weeks; is that right?

Mr. WHITE. That is right.

CONTRACT REVIEW AND AWARD

Senator D'AMATO. That being the case, how long will it take thereafter for you to make the appropriate award, how much time to review the award?

Mr. WHITE. Ray?

Senator D'AMATO. A week?

Mr. CARROLL. A week at the most, unless they protest or something else or something crops up.

Senator D'AMATO. OK, a week at the most. Thereafter, barring a legal complication such as a challenge or a protest, you will proceed 1 week thereafter? That will be three. Then there will be a week to review, and there will be an award. So that this committee can feel confident that within 5 weeks, we will actually have an award made; is that right?

Mr. WHITE. That is right.

Mr. KENNEDY. June 19.

Senator D'AMATO. Good.

Mr. WHITE. Yes, sir.

Mr. CARROLL. We will do the best we can.

Senator D'AMATO. I have to suggest to you, now, that there is no real reason for this to have been tolerated for such a long time. It seems that your attitude has been, "So what, it is the employees; let them wait."

No? You think that is unfair of the Chairman to say that?

Mr. CARROLL. I think it is unfair to claim that we haven't been concerned and haven't been trying to find ways to resolve the problem. We have been on it every day, day in and day out, believe us.

Senator D'AMATO. Let me ask you this, then. Are you seriously suggesting that the process you have just spelled out in terms of correction took you 2 years to formulate, 2 years?

How many office buildings through the United States of America have similar problems, and, I dare say, carry many more people than these elevators? Do you think that they would tolerate a situation for 2 years the way we have rather cavalierly? How is it that the Senators' elevators operate? Did you do something there?

Mr. WHITE. Those were separated from the system so that they respond immediately to the calls. We have noticed, incidentally, in observation, that some of the staff people have discovered that that is a quick way.

Senator D'AMATO. Understand. I don't blame them. I never get upset when I see a staffer on there. They say, "Hi. How are you, Senator? Nice to meet you."

Mr. WHITE. Part of the difficulty has been, Mr. Chairman, that the building, as you know, was occupied gradually, and the appearance of the problem didn't occur for some time until the traffic developed to its full extent. So there was some lack of recognition of the problem for awhile.

Once we found the problem existed, there was a lot of effort exerted to try and determine how best to solve it. It took longer than it should have, I absolutely agree, but it wasn't because it wasn't being looked at.

LONGWORTH BUILDING REQUEST

Senator D'AMATO. OK. Would you talk to me a little bit about your request for $18.5 million?

Mr. WHITE. In the first place, the Longworth House Office Building was constructed in 1934.

Mr. CARROLL. 1933.

Mr. WHITE. 1933. It has never been modified since that time.

Senator D'AMATO. But you pick a heck of a year to modify it.

Mr. WHITE. You are right. We have asked for these funds in this form or some other form over a period of time, and it seems—as a matter of fact, it was asked for first, the first effort was made long before I was here in the late sixties, and for some reason, there was always a reason why it couldn't be done.

Senator D'AMATO. Is this a good financial year to go forward with it?

Mr. WHITE. Let me say, as I said on the House side, we don't need $18.5 million all at once. We couldn't spend it all at once. We were merely indicating what the total project is going to cost.

We need $3.5 million to get started. It is a serious problem. They have a similar problem, of course, with regard to computer installation and air conditioning and so on. There is not enough electric power capacity in the building.

Senator D'AMATO. Are you suggesting that the most critical area of activity would be the electrical generator and the power to operate?

Mr. WHITE. That and the sprinkler system which is for fire and life safety.

Senator D'AMATO. How much is that?

Mr. WHITE. The whole building will come to this amount ultimately.

Senator D'AMATO. How much are those critical areas, about $3.5 million?

Mr. WHITE. That is the first year's expenditure.

Senator D'AMATO. What else are you doing in addition to the electrical and——

ELECTRICAL, DATA, AND SMOKE DETECTOR SYSTEMS

Mr. WHITE. It includes telephone and data processing wiring systems, smoke detector systems. What this consists of is a dropped ceiling over an entire corridor and the running around the corridors of all of these functions, the conduits, the pipes, et cetera; and then, as the opportunity arises when a Congressman's suite is either unoccupied by a move or it is a convenience for the Congressman, we will, in effect, plug that suite into that distribution system.

There is no way in that building at the moment to distribute anything horizontally. It is just designed that way.

So the expenditure, as I mentioned, could be made over a period of 5 or 6 years. We think it ought to begin. That is, again, a decision that we mentioned to Chairman Fazio on the House side, and that will be up to you.

Senator D'AMATO. OK.

Mr. CARROLL. May I break in and really mention, that building is an open stairway building, seven floors. There isn't even a fire pull station in that building. You couldn't turn a fire in if you found one except through a telephone or through a policeman. There is no smoke detection; there are no sprinklers. There is one conduit that feeds every Congressman's suite that provides electric power.

You talk about air conditioning and computers. There is no way to modify anything in that building. It was begun in 1930, occupied in 1933. It wasn't even air conditioned when it was designed and built. It was retrofitted with air conditioning in 1935, very poorly. It is a very bad, bad situation, trying to make that building work in 1990.

NEW POSITIONS

Mr. WHITE. With regard to the new positions that I mentioned earlier——

Senator D'AMATO. Their elevators operate.

CAPITOL GROUNDS POSITIONS REQUEST WITHDRAWN

Mr. WHITE. We have had more years to work them out over there, Mr. Chairman.

There are 2 positions in the Capitol grounds that I mentioned of the 13. I wanted to withdraw those. We have found a way to provide those for that additional shuttle van through our Capitol grounds staffing. We had some difficulty in trying to do that earlier, but we have found a way to do that. So we are withdrawing that request for those two positions.

Senator D'AMATO. Let's get on to page 5.

SENATE SUBWAY SYSTEM

Mr. WHITE. The top of page 5 talks about the subway system.

Senator D'AMATO. Oh, I wanted to tell you something. You and Chairman Kiley of the New York Metropolitan Transit Authority should get together. You rival each other on subways. When I ride that subway, I can't help but think I am back home in New York. It is a masterpiece of inefficiency. Only the New York subway system could rival it for that.

Safety, that we have. But it is a mystery to me how we designed a subway system where 50 Senators and their staffs and all the people who visit have only one subway to use. How that couldn't have been foreseen is impossible. It is impossible for me to understand.

Have you ever tracked the average time which it takes the car to make a run?

Mr. WHITE. Yes.

Senator D'AMATO. What is it?

Mr. WHITE. I have it.

Senator D'AMATO. And then be forced to move there, that was the other thing, the indignation of being forced to get away from the Russell to come over to your building.

Mr. WHITE. The average trip time, that includes waiting plus the trip itself, is from the Hart Building to the Capitol and return—this is average each way—2 minutes and 44 seconds.

That is average. The maximum is excessive, and the averege is excessive, too, for that matter. The maximum has been measured at 4 minutes and 16 seconds. If I may, let me say, Mr. Chairman, that we have looked into this for several reasons.

JURISDICTION BY SENATE RULES COMMITTEE

Initially, the question was debated by the Committee on Rules and Administration, who have jurisdiction over how the subway operates. It was initially designed, as you can tell, when we initially operated, with having both cars go to the two stops; in other words, all the way to the Hart Building with a stop at the Dirksen Building.

There was some dissatisfaction with the necessity to stop at the Dirksen Building once the car was started at the Hart Building.

This subject, as I say, was debated by six or seven Senators in the Rules Committee hearing. It was decided to try this system, which was to allocate the cars as you presently see them operating.

It was contrary to my recommendation, but the decision was, nevertheless, made.

I believe, and I have this suggestion to make as an interim measure, because I want to tell you about what we are doing to resolve it finally, and I intend to recommend this to the Rules Committee for consideration. That is, if we were to take the car which presently stops at the Dirksen Building and continue its run to the Hart Building and let the other car that goes straight through continue to operate the way it is operating; the second car would also go to the Hart Building, but it would stop at the Dirksen Building to give Dirksen Building access to the Capitol. It would diminish the service to the Dirksen Building, obviously, because it now has an exclusive car, but it would increase the service to the Hart Building by virtue of there being a second car to take, even though it would stop at the Dirksen Building.

With that in mind, let me go back to the beginning of this problem, which is the shuttle system that existed to the Dirksen Building back and forth, just as it exists to the Russell Building. When the Hart Building design was in process—and this was over 10 or 12 years ago when it began—I was very adamant about modifying the shuttle and making it into some form of loop so that you could put additional cars on and, in effect, have a car every 30 seconds, if you wanted to, depending upon the headway and how many cars you wanted to put on.

Our transportation consultants at the time said that it would not be possible to do and that the systems available at the time wouldn't accomplish it, and they had a lot of other reasons why it shouldn't be done.

I even suggested having an old railroad-type turntable at the end; we could run the car on it and turn it around and let it come back on the other track and just keep doing it that way. I tried all kinds of suggestions, some of which, obviously, were almost ridiculous.

But I was overruled by everybody that knew anything about it, and so we proceeded on this basis.

UNIQUELY DESIGNED CARS

Since that time, within the last year or so, in addition to the difficulties with the service, another problem has arisen that is in the offing. Those cars are almost 25 years old. They were uniquely designed for this system. There are no spare parts available. We have to machine parts as they wear out.

The frames have fatigued and have cracked, and we have welded them and repaired them. Those cars are going to need replacement reasonably soon. We just barely keep them operating.

It occurred to me that rather than replace those cars we ought to look into going back to what I originally wanted to do, which was to find a loop system that would modify the whole way in which this subway operates. We have, as a result of that, engaged some consultants. We have a report; we presented this information to the Rules Committee a week or 10 days ago.

Senator D'AMATO. Do you have a copy of that report?

Mr. WHITE. Yes, sir; I would be glad to submit that. Here is a quick summary of it.

On the second page there is a service improvements list which indicates, in looking at the bottom of it, the waiting time for the current service is two to three times longer than with the improved service; the trip time is reduced generally by 40 percent with this proposal. The worst case wait and travel times are nearly cut in half and the capacity is increased by 33 percent. This is with the use of four small trains continually moving. We would have a fifth one that would be a sort of spare which, it seemed to me, we could use also. That would improve this even further.

In other words, there would be a continuous series of cars similar to what one sees at some of the airports in various parts of the country; the system would be computerized. They require minimum maintenance. In addition to improving the service, it would save staffing because there are no operators on these cars.

It would save maintenance, because there are very few moving parts as opposed to the existing cars, and we think it would be a major improvement.

SUBWAY SYSTEM ALTERNATIVES

The Rules Committee asked us to come back to them within 30 days with some other alternatives that were suggested in the course of the hearing. We are preparing now to do that. The cost of this system, such as the Wedway System, for example, which one sees at Disneyland and at certain of the other——

Mr. CARROLL. Houston Airport.

Mr. WHITE. And at the Houston Airport, as well, is a system design that we find works very well and the bugs seem to have been taken out of it. Those are larger installations, of course. The system is estimated to cost about $12 million as an outside figure.

Senator D'AMATO. Mr. White, let me ask you to do me a favor, please. I would like you to see to it that this committee gets the same information that you supply to the Rules Committee.

Mr. WHITE. Absolutely.

Senator D'AMATO. And at the same time, concurrently.

Mr. WHITE. Absolutely.

Senator D'AMATO. It appears to me that there is a range of solutions to the current service problem. I think the committee should be kept completely informed on your plans to study the problem and to develop the solutions. We could be talking about simple changes to the existing system that wouldn't cost us in excess of a large amount to possibly an entire new system that might cause a disruption and/or cost a great deal of money.

Therefore, I think it is important that we be kept apprised of that so that we can discuss the findings of these studies.

Let me ask you this: Is it your intention and have you recommended to the Rules Committee the modification of the utilization of the stop at Dirksen?

SERVICE MODIFICATION

Mr. WHITE. I have not. That occurred to me, frankly, Mr. Chairman, last night when I was thinking about it, really, in preparation for today.

Senator D'AMATO. Why don't you tell the staff of the Rules Committee and take them on a little ride and show them what you suggested so that they can filter it up to the Rules Committee.

Mr. WHITE. I would be happy to do that.

Senator D'AMATO. You have been working with these guys for years. You really think that you are going to get $12 million from this committee for that project?

Mr. WHITE. My concern was that at some point in the near future, 1 or 2 years from now, we are going to have to spend $3 million for these cars.

Senator D'AMATO. Three million?

Mr. WHITE. For the replacement of these cars.

Senator D'AMATO. Maybe we should walk.

Mr. WHITE. That is a possibility of course.

Senator D'AMATO. Delay the vote a little longer and we will have to walk. Three million dollars?

Mr. WHITE. That is the estimate that is given in that report by our consultants. They are unique. You can't buy them. Somebody has to manufacture them from scratch as an absolutely custom-built item.

Senator D'AMATO. Did you look into people movers?

Mr. WHITE. That is what we are suggesting is the people mover.

Senator D'AMATO. Where you jump on the thing?

Mr. WHITE. That is right.

Senator D'AMATO. How about the moving sidewalks?

Mr. WHITE. That has been suggested as well. There are some difficulties with that, of course, because as people ride it, it is sometimes difficult to walk past them. There is no simple solution, but at the same time——

Senator D'AMATO. You have to keep the cars operating. Three million dollars?

Mr. WHITE. We can keep them operating. We are continuing to do that, but at some point, there will be no way to continue them anymore.

Senator D'AMATO. I notice they haven't broken down with the frequency they did last year. The wheels were coming off continually.

Mr. WHITE. We made some modifications to them.

Senator D'AMATO. The ride is smoother. I think you made some progress there.

Mr. WHITE. We are trying.

EAST PLAZA SECURITY PROPOSAL

Senator D'AMATO. The Rules Committee is reviewing your plans for the East Plaza project. What is this East Plaza project? I notice part of that project includes hydraulic barriers which would be a welcome relief from the trash trucks that keep watch over the various entrances there. How many will be installed, according to your plans? How much will those installations cost?

Mr. WHITE. If I may, Mr. Chairman, we have some diagrams here. This was initiated on two bases. The first basis was an effort to respond to various requests by Members of the House and Senate.

Senator D'AMATO. Let me ask you something. I know that it has been a source of contention and some say the police cars being parked out there don't look good. How many cars are parked there now?

Mr. KENNEDY. Just at the Plaza.

Mr. WHITE. On the Plaza itself, there are 171 cars on the Senate side, 155 cars on the House side.

Senator D'AMATO. All right. Supposing we were to take that and do away with the parking there. Where would those cars park?

Mr. WHITE. On the Senate side, the space that has become available on square 724, which is the square just north of the Dirksen-Hart Building square where we have removed the buildings, there is space there to park the cars which has not been assigned to anyone even though cars are parking on it. Nobody has been permanently assigned to that area by the Rules Committee pending some judgment about this.

Senator D'AMATO. Let me ask you something. How many cars could park there?

Mr. WHITE. I don't have it, but I am sure it is enough to handle these cars.

Senator D'AMATO. Mr. White, if we are talking about providing space for those people who presently park in the Plaza area to an area that has been cleared for parking, it seems rather incredible to me that we don't know how many parking spots there are, particularly since you are using it now for parking. Now, how many?

Mr. WHITE. I just don't know.

Senator D'AMATO. Ask somebody to get the number.

Mr. WHITE. Can you find that out?

We will find out right away.

Senator D'AMATO. I want to know if you are going to have more or less. Who is parking there now?

Mr. WHITE. I'm not sure, Mr. Chairman. Employees are permitted to park there by the Sergeant at Arms, who is responsible for parking, and I don't know who he has assigned those to.

Senator D'AMATO. Is not the Rules Committee directing to the Sergeant at Arms?

Mr. WHITE. It is delegated to the Sergeant at Arms by the Rules Committee.

Senator D'AMATO. So what we are going to do is displace Senate employees or people who presently park in this temporary parking field?

Mr. WHITE. They would have to park wherever they were before this area became available. They have not been given permanent assignment for that very reason. It has been reserved to make it available for the people who have presently been assigned to the Plaza.

Senator D'AMATO. What about this Plaza program? How much is this going to cost?

HYDRAULIC BARRIERS

Mr. WHITE. I will have to give you a breakdown. The cost of providing these hydraulic barriers—and I might just say in advance that this was designed as a means of security in an effort to beautify and get rid of all those concrete cylinders that are out there with planting in them, and at the same time——

Senator D'AMATO. What is this hydraulic barrier? It is in the ground and raises up?

Mr. WHITE. Yes. It is a hydraulic barrier and it comes up. It looks flat like this, but when it is raised, it has a solid piece in front of it so that a car can't get past it.

We have installed four of those at the Supreme Court, and they are now in operation. They are normally up for safety, and then by a guard pushing a button, they drop down so a car can get by. There are two of them in series, so that, in effect, you are in a locked situation as the car is admitted so that dropping one will not enable another car to come quickly through behind the first one before you can get the barrier back up again. It is that kind of an arrangement.

In addition to that, we were asked to provide a design which would eliminate the parking on the Plaza. This one continues the parking on the Plaza and still provides the hydraulic barriers if parking were not to be eliminated. Both of these have been approved by the police and the Capitol Police Board from a security standpoint.

In this one, there still could be parking in here. But in the other alternative, we presumed no pedestrian plaza ever and put these vertical bollards in across at that point.

They are concrete decorative bollards which will prevent the passage of cars. The cost I will give you includes the bollards and the safety features, the security features, and the guardhouses and the utilities for them. Incidentally, this illustration shows the kind of decorative device that they would resemble.

This is a picture of the model from the master plan which we used as the basis for that design. To put in the hydraulic barriers and all the associated equipment will amount to $750,000. To put in the paving, the brick pavers as you see it here just within the Plaza area would bring the total to $4.2 million.

That is a decorative matter, and that includes the two fountains and so on. That is a decorative question; it doesn't have anything to do with security. It is possible, of course, to put in the security measures as though it were to be paved this way, and then pave it some other time; that is to say, with the brick.

FUNDS APPROPRIATED EARLIER

We have asphalt paving funds that were appropriated 2 years ago, $230,000, and when this question came up, I came to both committees, House and Senate, and suggested that we make that no year rather than spend $230,000 on asphalt paving and find we would have to remove it. So we have money to pave it in asphalt now.

Senator D'AMATO. This is just on the Senate side?

Mr. WHITE. No, this is both sides, both House and Senate.

Senator D'AMATO. What does the House say about this? Do they want to do away with the parking on the House side?

Mr. WHITE. We have had a hearing in the House Public Buildings and Grounds Subcommittee of the House Public Works Committee. They were very supportive and said that I should proceed further. I told them I was coming to the Senate side. I hadn't been to the Senate Rules Committee yet.

I had presented this first to Senator Hatfield, who was very interested in it and had come to me to make this kind of a proposal or at least to work at it. So the House is supportive of it at the Public Works level. It hasn't gone to Appropriations on the House side. I really have not thought yet to ask for funds.

Senator D'AMATO. What is going to happen if the barriers start going up and down? How is that going to impact the traffic there?

BARRIER TIMING

Mr. WHITE. The barriers are controlled by the guards.

Senator D'AMATO. How long does the barrier take to go down?

Mr. WHITE. Oh, just a few seconds.

Senator D'AMATO. Do you mean to tell me you don't anticipate this being like the elevators? It is like the elevators. You are going to install a barrier and find that once it is down, you can't get the car behind it in, too. Is that right, the barrier goes up after each car?

Mr. WHITE. That barrier goes down, the car passes through and the other barrier goes down. That barrier goes up before the other one goes down. It is going to take some time; you are absolutely right.

Senator D'AMATO. Don't you think you better study how many cars go in; how many cars go out; what the time is going to be? You have got some people to do time-and-motion studies. It is nice to come in with all these fancy pictures. I don't know if anybody asked you that. Did anybody ask you that?

Mr. WHITE. No.

Senator D'AMATO. You better run it down.

Mr. WHITE. As you know, Mr. Chairman, we don't let taxicabs onto the grounds now unless there is a Senator or Member in them.

Senator D'AMATO. I can just see when the Senators or Congressmen are running in to vote and you have a guard over there and he is pushing the button and the one goes down and the other one stays up. They will say, "We better know."

MANUAL OPERATION

Mr. WHITE. These are manually operated. We could leave them down altogether in certain conditions when people are coming to vote. The guards recognize the Senators in the cars.

Senator D'AMATO. So it doesn't automatically go back up?

Mr. WHITE. Not unless he makes it go back up.

Senator D'AMATO. So he can let it come down?

Mr. WHITE. He can, and we have them in operation now, as I mentioned, over in the Supreme Court.

Senator D'AMATO. Do they look better?

Mr. WHITE. Pardon me?

Senator D'AMATO. From the point of view of asthetics, does it look better? What about the appearance? I am going to go over and look, but I am asking you.

Mr. WHITE. When they are down, it just looks level. When they are up——

Senator D'AMATO. They are no good when they are down.

Mr. WHITE. That is right.

Senator D'AMATO. This is a circus.

Mr. WHITE. No, no. When they are up——

Senator D'AMATO. How do they look?

Mr. WHITE. They look like a metal barrier. You can't change that. They could be painted to appear less obtrusive, but they are still going to—you are going to see them. You can't avoid that, and I don't think it looks too bad. You can see them, as I mentioned.

Senator D'AMATO. Are you saying these are better from the point of view of protection?

Mr. WHITE. Yes.

Senator D'AMATO. Is that the judgment you have made, on safety?

Mr. WHITE. That is correct. They are being installed at embassies and various places now.

Senator D'AMATO. OK. So you have two questions here, right? One is safety, which, as far as I'm concerned, comes first. Then there is the second question with respect to parking in the Plaza.

Mr. WHITE. That is correct.

Senator D'AMATO. So it is not one in the same.

Mr. WHITE. That is right. That is right.

Senator D'AMATO. These are distinct. Are you making a recommendation here for the Plaza in the budget?

Mr. WHITE. No; I don't have any authority to proceed, Mr. Chairman. The Rules Committee has asked us to defer until such time as Senators Mathias and Ford could go out and look at the Plaza. They wanted to examine it personally.

Senator D'AMATO. What about the security area? Can't you do the security without the other? Aren't you going to do the security?

Mr. WHITE. Well, it would be very difficult to do that.

Senator D'AMATO. Have you talked to the Secret Service about this?

Mr. WHITE. No; we didn't talk to the Secret Service. We talked to our own police.

PARKING SPACE AVAILABILITY ON SQUARE 724

Mr. Chairman, I have that number of cars now in the new areas available on square 724. There are 366 car spaces available. As I mentioned earlier, we would be eliminating, on the Senate side, 171 car spaces from the Plaza. We would continue to have parking on the curved roadways under this arrangement. Parking would be eliminated just within the Plaza itself. Of course, cars could be admitted there depending upon the circumstances.

Senator D'AMATO. How long have they been parking in that Plaza area?

Mr. WHITE. Since there were cars, as far as I know.

Senator D'AMATO. I don't know that.

Mr. WHITE. I understand, but it has always been permitted to have parking there.

Senator D'AMATO. All right. What about going forward with the security? Shouldn't you really be checking with other people like the Secret Service?

Mr. WHITE. Yes. I presume, and I may be wrong, I presume that our police did check with them. I didn't personally.

Senator D'AMATO. Would you undertake that?

Mr. WHITE. Yes, of course.

SECURITY COORDINATION TEAM

Mr. CARROLL. Let me remind you that we have the security coordination study done in cooperation with the Secret Service.

Mr. WHITE. I am told and I had forgotten that there was a security coordination study by our engineers and the police, and it was coordinated with the Secret Service.

Senator D'AMATO. These barriers that go up and down, could they be installed for three quarters of a million dollars?

Mr. WHITE. That is correct.

Senator D'AMATO. For the Senate and the House side?

Mr. WHITE. Senate and the House.

Senator D'AMATO. Don't you think we should proceed with that?

Mr. WHITE. I think so, but I don't have authority to ask without the Rules Committee approving it.

Senator D'AMATO. If we were to provide funds in fiscal year 1985, when would the installation proceed?

Mr. WHITE. I am told that there is a 6-week delivery time for these units, and then we would install them with our own forces. So we are probably talking about 3 months. The locations where these need to go, in some cases, involve some underground conduit movement, and there are various technical problems of that nature.

I might suggest, Mr. Chairman, if you thought it was appropriate, that the funds could be made available conditioned upon the approval of the Rules Committee before proceeding.

Senator D'AMATO. Mr. White, let me suggest this to you: That you give us a specific detailed plan of implementation for the security as we have discussed it, that security which is now in place at the Supreme Court; give us a timetable; give us an estimate, and I will take this matter up with Chairman Hatfield to ascertain whether or not this is so important that we should move ahead maybe in a nontraditional way to see to it funds are provided so that this work can proceed.

I would also suggest to you we want it to proceed in a manner that would not preclude, at some future date, the East Plaza project, which may include a pedestrian plaza and no parking, or certainly not the kind of parking that we have today.

Mr. WHITE. I would be happy to do that.

Senator D'AMATO. All right. Please do that and get it to this Committee as expeditiously as possible.

Mr. WHITE. Yes, I will.

Senator D'AMATO. We can take that into consideration.

SUBMITTED QUESTIONS

I have a number of questions for the record that I am going to submit and some questions for Senator Bumpers, who is on the Senate floor at the present time.

[The following questions were not asked at the hearing but were submitted for response for the record:]

ARCHITECT OF THE CAPITOL
QUESTIONS AND RESPONSES

STATUS OF MAJOR CONSTRUCTION PROJECTS

WEST CENTRAL FRONT

Question: You had four people assigned to an advisory group composed to discuss the West Front restoration. Were the members of this group compensated? If so, from what account?

Response: The West Front Advisory Group is composed of four individuals who are expert and prominent in their fields and include an architect, an engineer, an historic building conservation expert, and a cost control, scheduling and construction methods expert. These experts advise me of any perceived deficiencies in our plans and procedures and offer technical advice during the construction process. They meet from time to time as I determine the need, and they are compensated at the per diem rate of $500 from the appropriation "West Front of the Capitol."

Question: Provide for the record a complete status report on the restoration of the West Central Front. Is the work on schedule and within the budget? By what amount? What work remains to be performed after the stonework is completed? Has anybody been displaced, or are there plans to displace offices temporarily while the work is in progress?

Response: The following report indicates the status of all work on the West Central Front.

GENERAL CONSTRUCTION
Stone Work

There are five items of work under this category:

1. Removal of existing damaged sandstone below the cornice which is 70% complete.
2. Dismantling the entabulature and balustrade above the cornice, which is 10% complete.
3. Installation of new replacement limestone, which has just started.
4. Dismantling of the portico stonework began during May.
5. Replacement of the wood windows which has not yet begun.

The contractor is proceeding on schedule with the stone removal. Delivery of replacement limestone began in late April, and new stones will be set as they are accepted.

Tie Work

There are five items of work under this category:

1. Corner ties, which are 50% installed,
2. Wall ties, which are 35% installed,
3. Pilaster ties, which are 57% installed,
4. Arch ties, which are 25% installed,
5. Foundation ties, which are 45% installed.

As of the end of April 1985, 390 ties under all categories have been completely installed, and 115 are in varying stages of being completed.

OTHER WORK

The painting of the stone will take place when all stonework is completed. The final item, birdproofing, is being evaluated for determination of the most effective method to employ.

SCHEDULED COMPLETION

The contract for stonework and installation of ties is on schedule for a completion date of February 1988. The painting and birdproofing, which will follow, are anticipated to be completed by November 1988.

PROJECT BUDGET

The following table indicates the status of the project budget as of May 15, 1985:

Activity	Allotment	Obligation	Balance
Administrative........	$ 3,743,400	$ 1,454,847	$ 2,288,553
A/E Services..........	2,974,510	1,049,725	1,924,785
Paint Removal.........	367,510	326,250	41,260
General Construction..	36,595,060	14,907,338	21,687,722
Painting..............	1,032,010	.....	1,032,010
Birdproofing..........	169,030	.....	169,030
Overhead Items Prior to Construction.....	35,500	12,881	22,619
Miscellaneous Construction........	205,580	91,535	114,045
Unallotted Contingency	3,877,400	.....	3,877,400
Total............	$49,000,000	$17,842,576	$31,157,424

DISPLACED STAFF

To date, no one has been displaced. Although it is conceivable that some offices will have to be temporarily relocated for short periods at some times during the construction period, every effort is being made to eliminate such a need. By scheduling disruptive work at off hours and by providing temporary enclosures within offices, the work has thus far been accomplished without displacing staff.

LIBRARY OF CONGRESS RESTORATION/RENOVATION

Question: Along with the $81 million that was appropriated last year for the Library restoration project was report language that stipulated how the work was to be performed. Has this method been followed? Provide a table showing the contract packages, how each item will be performed (in-house or contract) and the estimated cost for each. Do you foresee any circumstances under which the separate contract packages shown on the November 1984 Milestone Schedule would be consolidated into a few large contracts? What criteria would you use to make such a decision given the congressional direction to employ a series of contracts under Method B?

Response: As detailed in the "Architect of the Capitol Construction Schedule Report for the Restoration and Renovation of the Library Thomas Jefferson Building and John Adams Building," dated November 19, 1984, and submitted to the Appropriations Committees, the construction work has been divided into several construction packages. The following list of packages identifies the method of construction and the estimated contract amount.

Library of Congress
Renovation and Restoration

Contract Packages	Method	Estimated Construction Cost
1. Interim Occupancy, Phase I.......	In-house	$ 215,000
2. Alterations, 4th Floor, Adams Bldg., Phase I.................	In-house	1,077,000
3. Mechanical/Plumbing/Fire Protection, Phase I..................	Contract	6,233,000
4. Electrical, Phase I..............	Contract	8,258,000
5. Double Glazing, Phase I & II.....	Contract	1,405,000
6. Elevator Modernization, Phase I..	Contract	168,000
7. Architectural/Structural/Preservation, Phase I................	Contract	7,136,000
8. Air Conditioning Modernization, Phase I & II..................	Contract	6,102,000
9. Mill Work, Phase I & II..........	Contract	539,000
10. Signage/ CATV/Cabling/Security, Phase I & II...................	In-house	919,000
11. Colonnades, Phase I & II.........	Contract	3,502,000
12. Specialty Painting, Phase I......	Contract	306,000
13. Art Restoration, Phase I & II....	Contract	1,245,000
14. Rosenwald Room, Phase I..........	Contract	183,000
15. Interim Occupancy, Phase II......	In-house	519,000
16. Mechanical/Plumbing/Fire Protection, Phase II..................	Contract	3,022,000
17. Electrical, Phase II.............	Contract	8,530,000
18. Coolidge/Whittall, Phase II......	Contract	1,263,000
19. Architectural/Structural/Preservation, Phase II..............	Contract	11,121,000
20. Elevator Modernization, Phase II.	Contract	284,000
21. Decks, Phase II..................	In-house	610,000
22. Specialty Painting, Phase II.....	Contract	460,000
23. Exterior Restoration, Phase II...	Contract	834,000
24. Refinish Bronze Doors, Phase II..	Contract	41,000
25. Loading Dock, Phase II...........	Contract	58,000
Subtotal........................	.....	$ 64,030,000
26. Unallotted Contingency...........	.....	3,203,000
27. Allotted Contingency.............	.....	6,403,000
28. CMD Services.....................	.....	7,364,000
Total...........................	.....	$ 81,000,000

It is planned to prequalify a large number of specialty contractors, such as electrical, mechanical, architectural and structural contractors, for each phase of construction. The bidding documents are being prepared to enable separate contracts to be consolidated under a few large contracts. If several specialty contractors make arrangements to combine forces to effect savings in overhead and management costs they will be able to do so. If such bids are made, and are found to be in the best financial interests of the Government, then such bids would in all likelihood be accepted. Under any circumstances, however, the magnitude of this project assures that a large number of contracts will be awarded during the renovation.

FISCAL YEAR 1986 REQUEST

NEW POSITIONS

Question: What percentage of your total fiscal year 1986 increases are represented by new positions? Can the responsibilities of these jobs be distributed among existing personnel?

Response: One percent of the fiscal year 1986 increase results from the request for 13 new positions. Prior to submission of the request for the new positions, a thorough analysis of existing positions was conducted and it was determined that the increased workload of the office justified this request. The central staff of the Architect's office is already carrying a very heavy workload. We have withdrawn the request for the two driver positions in "Capitol Grounds" appropriation for the additional shuttle van. We believe we can provide drivers from within existing sources.

TEMPORARY EMPLOYEES

Question: There appear to be 4 temporary staff members on your payroll. What work requires them? Are these people in your office now? How long do you intend to keep them?

There are also 40 temporary employees in the Capitol Building. Please give similar explanations for their presence, also.

Response: The statement being referenced was prepared as of December 8, 1984, and since our temporary employment practices experience frequent and significant fluctuations, it was thought that a more meaningful response would be our present situation.

At the present time there are two temporary employees charged to the appropriation "Salaries, Architect of the Capitol". The appropriation "Capitol Buildings" now has 13 temporary employees on that roll.

There has been a significant decline in our need for temporary employees as is evidenced by the current temporary payrolls for these two appropriations.

Some of the present temporary employees were on the rolls when an accounting was taken for the December 8, 1984 report. All of our temporary employees are hired to staff special projects, which are non-recurring in nature, and such other activities as painting and cleaning of the building that occur during recess or adjournment periods, and seasonal requirements such as exterior pointing and caulking of the building.

As to the duration of the temporary employees, that is dependent on the needs of the specific project to which they are assigned. Generally, this group of employees is hired as needed, paid for time when actually employed, and terminated when their services are no longer required.

Question: As of January, 1985, you had 282 temporary employees on the rolls. It's my understanding that 117 of these people are assigned to the Senate Office buildings. Please explain the needs which require this additional help.

Response: The temporary employees assigned to duty in the Senate Office Buildings are, for the most part, skilled trades employees engaged in connection with completion of the North cafeteria, the Central Hearing Facility, and other construction-type projects. In addition, we have engaged temporary electricians to assist the Superintendent's forces in installing conduit, pulling wire, and similar activities related to installation of computers, terminals, and printers in each Senator's office. The latter employees are being compensated from funds reprogrammed with approval of Chairman Hatfield for installation of additional air conditioning and electrical requirements associated with the computer installations.

At the time of our report on the employment of temporary employees, 57 of the employees were engaged in activities related to completion of the North Cafeteria and the installation of electrical and air conditioning services required for the new computer installations; 43 employees were engaged in completion of Hart Building spaces such as the Central Hearing Facility and the ninth floor special function area. The remaining 17 employees were on the annual appropriation account and were engaged in activities such as painting and cleaning of the buildings that occur during recess or adjournment periods.

The number of temporary employees fluctuates with the number of non-recurring projects underway. This group of employees are hired when needed, paid for time when actually employed, and terminated when their services are no longer required.

LIMITATION ON TRAVEL EXPENSES

Question: Please provide for the record an accounting of actual travel expenses incurred and trips undertaken in FY84, and through the first half of FY85.

Response: The following tables provide the information requested.

OFFICE OF THE ARCHITECT OF THE CAPITOL
TRAVEL
(FROM OCTOBER 1, 1983 TO SEPTEMBER 30, 1984)

APPROPRIATION	LIMITATION	EXPENDED
Capitol Buildings, 1984.......		$ 11,365.96
Capitol Buildings, No Year....		600.00
Capitol Grounds, 1984.........		125.10
Capitol Grounds, No Year......		294.01
West Central Front of the Capitol, No Year...........		2,360.66
Construction of an Extension to the New Senate Office Building, No Year..........		805.51
House Office Buildings, 1984..		313.65
Modifications and Enlargement, Capitol Power Plant, No Year.....................		9.00
Library of Congress, James Madison Memorial Building, Library Buildings and Grounds, No Year..........		1.50
Total................	$ 20,000.00	$ 15,875.39

OFFICE OF THE BOTANIC GARDEN
TRAVEL
(FROM OCTOBER 1, 1983 TO SEPTEMBER 30, 1984)

	LIMITATION	EXPENDED
Salaries & Expenses, 1984......	$ 275.00	$ 71.34

OFFICE OF THE ARCHITECT OF THE CAPITOL
TRAVEL
(FROM OCTOBER 1, 1984 TO MARCH 31, 1985)

APPROPRIATION	LIMITATION	EXPENDED
Capitol Buildings, 1985.......		$ 5,214.18
Capitol Grounds, 1985.........		5.50
West Central Front of the Capitol, No Year...........		89.75
Construction of an Extension to the New Senate Office Building, No Year..........		401.96
Structural and Mechanical Care, Library Buildings and Grounds, 1985..............		14.56
Structural and Mechanical Care, Library Buildings and Grounds, No Year..........		19.07
Total................	$ 20,000.00	$ 5,745.02

OFFICE OF THE BOTANIC GARDEN
TRAVEL
(FROM OCTOBER 1, 1984 TO MARCH 31, 1985)

	LIMITATION	EXPENDED
Salaries & Expenses, 1985......	$ 275.00	$ 64.99

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APPROPRIATION: CAPITOL BUILDINGS, 1984 (0140105)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1984 - FOR THE PERIOD: OCTOBER 1, 1983 THRU SEPTEMBER 30, 1984

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
Raymond A. McLain	Assistant Personnel Officer	Washington, D.C.	Attend a seminar on various programs currently available through OPM	10/6/83	$ 1.50
Pamela N. Violante	Museum Technician	Oberlin, Ohio	Attend a seminar on care and connoisseurship of works of art on paper	10/19/83 - 10/21/83	299.00
Leonard G. Gibson, Jr.	Assistant Chief Engineer	Richmond, Virginia	Attend a seminar on boiler efficiency improvement	10/19/83 10/20/83	148.96
William L. Ensign	Assistant Architect of the Capitol	New York City, New York	Attend a seminar on the "state of the art" in cleaning technology for outdoor masonry and bronze	10/19/83 10/21/83	189.00
John Murray	Attorney	Washington, D.C.	Proceed to D.C. Government in reference to property acquisition	10/27/83	1.50
Ronald B. Schenk	Assistant Head, Electronic Engineering Division	Dalhgren, Virginia	Attend a meeting with technical personnel of Naval Weapons Support Center concerning area network	11/16/83	23.03
George M. White	Architect of the Capitol	San Francisco, California	Chair a committee reviewing the responsibility of the National Capitol Development Commission	11/19/83	278.00
George M. White	Architect of the Capitol	Newark, New Jersey	Discuss with John Calabro, sculptor, proposed portrait bust of Nelson Rockefeller	11/29/83	125.03
George M. White	Architect of the Capitol	Canberra, Australia	Chair a committee reviewing the responsibility of the National Capitol Development Commission	12/5/83 - 12/7/83	2,890.24

189

APPROPRIATION: CAPITOL BUILDINGS, 1984 (0140105)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1984 - FOR THE PERIOD: OCTOBER 1, 1983 THRU SEPTEMBER 30, 1984

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
Kenneth R. Garrison	Supervisory Computer Operator	McLean, Virginia	Attend computer software seminar	12/6/83 - 12/9/83	24.60
Ellen R. Nagle	Air Conditioning Engineer	Baltimore, Maryland	Attend 2nd Annual Mid-Atlantic, Energy Conference & Exposition Seminar	12/8/83	21.66
Elliott Carroll	Executive Assistant	Charleston, South Carolina	Attend seminar of the Advisory Council on Historic Preservation	12/10/83 - 12/13/83	390.00
James E. Krapp	Assistant Project Manager	Beltsville, Maryland	Attend project management seminar	2/10/84	12.51
Gino S. Valenti	Superintendent of Construction	Beltsville, Maryland	Attend project management seminar	2/10/84	10.25
James E. Cieutat	Project Manager	Beltsville, Maryland	Attend project management seminar	2/10/84	20.09
Henry L. Rupprecht	Accountant	McLean, Virginia	Attend computer software seminar	2/21/84 - 2/23/84	21.53
George M. White	Architect of the Capitol	Atlanta, Georgia	Meet with Advisory Council on Historic Preservation	2/26/84 - 2/29/84	376.75
Allen F. Reed	Contract Specialist	Arlington, Virginia	Attend government contract law seminar	2/27/84 - 3/9/84	25.50
Robert A. Nash	Head, Data Processing Division	McLean, Virginia	Attend seminar on computer software	2/27/84 - 3/2/84	28.70
George M. White	Architect of the Capitol	Newark, New Jersey	Review progress of Sculptor John Calabro on the portrait bust of Nelson A. Rockefeller	3/16/84	124.55
Karon Stockman	Procurement Assistant	Arlington, Virginia	Attend Government Contract Administration Seminar	3/19/84 - 3/23/84	8.00

APPROPRIATION: CAPITOL BUILDINGS, 1984 (0140105)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1984 - FOR THE PERIOD: OCTOBER 1, 1983 THRU SEPTEMBER 30, 1984

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
Mary Lou Hansen	Archives Technician	Jackson, Mississippi	Attend basic archival conservation techniques seminar	3/25/84 - 3/28/84	712.50
Alan E. Luehrmann	Head, Contract Branch	Vienna, Virginia	Attend Federal Acquisition Regulations Seminar	3/27/84 - 3/28/84	19.52
Robert A. Gleich	Mechanical Engineer	Alexandria, Virginia	Attend 1984 Carrier Technical Development Program Seminar	4/10/84 - 5/24/84	54.53
Robert A. Gleich	Mechanical Engineer	Arlington, Virginia	Attend Smoke Control Systems For Buildings Seminar	4/10/84	6.97
Robert W. Husemann	Chief Engineer	Lexington, Kentucky	Attend 23rd Annual Industrial Coal Seminar	4/10/84 - 4/12/84	373.15
Walter Miller	Assistant Head, Contract Branch	Alexandria, Virginia	Attend Federal Acquisition Regulations Seminar	4/12/84 - 4/13/84	79.54
Richard E. Meiper	Head, Procurement Division	Alexandria, Virginia	Attend Federal Acquisition Regulations Seminar	4/12/84 - 4/13/84	33.96
Carl E. Loeffler	Electronic Technician	Virginia Beach, Virginia	Attend Design and Application of Intrusion Detection System Seminar	4/17/84 - 4/19/84	262.64
Mary Long	Head, Records Management Division	Washington, D.C.	Attend a Records Management Seminar at the Archives Building	4/27/84	6.75
John C. Moore	Electronic Technician Foreman	Landover, Maryland	Attend seminar at the Digital Equipment Corporation concerning the RSX-11M operating system	4/30/84 - 5/4/84	65.60
George M. White	Architect of the Capitol	New York City, New York	Review portrait bust of Nelson A. Rockefeller at the studio of John Calabro	5/4/84	151.55

APPROPRIATION: CAPITOL BUILDINGS, 1984 (0146105)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1984 - FOR THE PERIOD: OCTOBER 1, 1983 THRU SEPTEMBER 30, 1984

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
Ellen Nagel	Air Conditioning Engineer	Gaithersburg, Maryland	Attend User Experience With Solar Energy Systems Seminar	5/8/84	20.09
Patrick Hunt	Purchasing Clerk	Washington, D.C.	Attend Defense Small Purchase Seminar	5/14/84 - 5/18/84	20.50
William L. Ensign	Assistant Architect of the Capitol	Stoke-on-Trent, England	To look at replacement Minton tile samples being manufactured for use in the U.S. Capitol	5/18/84	90.78
Ronald B. Schenk	Assistant Head, Electronic Engineering Division	Chambersburg, Pennsylvania	Attend Appalachian Mid-Atlantic Group Chapter Seminar	5/23/84	53.38
William L. Ensign	Assistant Architect of the Capitol	Baltimore, Maryland	Attend A/E Systems 1984 Conference/Trade Show dealing with automation	6/7/84	19.72
Richard D. Martin	Electronic Technician Helper	Newark, New Jersey	Attend Sony maintenance seminar on the VO5800	6/10/84 - 6/15/84	485.85
Jerry L. Phillips	Electronic Technician Foreman	Newark, New Jersey	Attend Sony maintenance seminar on the VO5800	6/10/84 - 6/15/84	661.41
Anne-Imelda Radice	Curator	Washington, D.C.	Attend American Association of Museums Seminar	6/11/84 - 6/14/84	7.20
George M. White	Architect of the Capitol	Boston, Massachusetts	Attend zoning seminar sponsored by the Lincoln Institute of Land Policy & the Massachusetts Institute of Technology Center of Real Estate Development	6/14/84	226.50
Harry L. Burnett, Jr.	Photographer, Still	Atlantic City, New Jersey	Attend 1984 Professional Photographers of America, Inc. Seminar	6/17/84 - 6/22/84	364.06

APPROPRIATION: CAPITOL BUILDINGS, 1984 (0140105)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1984 - FOR THE PERIOD: OCTOBER 1, 1983 THRU SEPTEMBER 30, 1984

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
George M. White	Architect of the Capitol	New York City, New York	Review progress of Sculptor John Calabro on portrait bust of the late Vice President Nelson A. Rockefeller	6/26/84	128.37
Charlene Dugovich	Fiscal Accounting Clerk	Washington, D.C.	Attend seminar on Introduction to Voucher Examination	7/9/84 - 7/11/84	4.80
Wesley E. Hills	Sanitarian	Cincinnati, Ohio	Attend a seminar on Medical Screening & Biological Monitoring for the Effects of Exposure in the Workplace	7/9/84 - 7/13/84	658.75
Elliott Carroll	Executive Assistant	Nantucket, Massachusetts	Attend Conservation Training Seminar sponsored by the National Institute for Conservation	7/21/84 - 7/25/84	581.48
Ronald B. Schenk	Assistant Head, Electronic Engineering Division	Baltimore, Maryland	Attend Appalachian Mid-Atlantic Group Chapter Seminar of the Society of Cable Television Engineers .	7/25/84	18.86
Elaine M. Hartman	Accounting Clerk	Washington, D.C.	Attend Joint Travel Regulations & Procedures Seminar	7/31/84 - 8/3/84	55.00
George M. White	Architect of the Capitol	New York City, New York	Review progress of Sculptor John Calabro on portrait bust of the late Vice President Nelson A. Rockefeller	8/1/84	78.82
J. Raymond Carroll	Director of Engineering	Orlando, Florida	Attend NAPPER Executive Seminar	8/21/84 - 8/23/84	199.93
George M. White	Architect of the Capitol	Orlando, Florida	Attend NAPPER Executive Seminar	8/21/84 - 8/23/84	187.50

193

APPROPRIATION: CAPITOL BUILDINGS, 1984 (0140105)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1984 - FOR THE PERIOD: OCTOBER 1, 1983 THRU SEPTEMBER 30, 1984

William F. Raines, Jr.	Administrative Assistant	Orlando, Florida	Attend MAPPER Executive Seminar	8/21/84 - 8/23/84	215.85
Robert A. Nash	Head, Data Processing Division	San Diego, California	Attend Sperry Computer Systems USE Seminar	9/30/84 - 10/6/84	500.00
George M. White	Architect of the Capitol	Paris, France	Attend the International Urban Design & planning Symposium	9/26/84 - 10/23/84	600.00

APPROPRIATION: CAPITOL GROUNDS, 1984 (0140108)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1984 - FOR THE PERIOD: OCTOBER 1, 1983 THRU SEPTEMBER 30, 1984

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
John Murray	Attorney	Washington, D.C.	Proceed to D.C. Government in reference to property acquisition	12/7/83	$ 1.50
John Murray	Attorney	Washington, D.C.	Review documents at the D.C. Surveys Office in reference to property acqusition	12/7/83	1.50
John Murray	Attorney	Washington, D.C.	Proceed to D.C. Surveys Office in reference to acquisition of property for the extension of the Capitol Grounds	6/15/84	3.50
John Murray	Attorney	Washington, D.C.	Proceed to D.C. Surveys Office in reference to acquisition of property for the extension of the Capitol Grounds	6/22/84	1.50

APPROPRIATION: CAPITOL GROUNDS, 1984 (0140108)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1984 - FOR THE PERIOD: OCTOBER 1, 1983 THRU SEPTEMBER 30, 1984

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
John Murray	Attorney	Washington, D.C.	Proceed to D.C. Surveys Office in reference to acquisition of property for the extension of the Capitol Grounds	7/31/84	1.60
Paul Pincus	Landscape Architect	Duluth, Minnesota	Select 1984 Christmas Tree for West Front of Capitol	9/18/84 - 9/19/84	115.59
APPROPRIATION: CAPITOL GROUNDS, NO YEAR (01X0108)					
Fred C. Hazlewood	Stone Mason Foreman	Greensboro, North Carolina	Inspect granite treads for the West Walkways of the U.S. Capitol	7/10/84	294.01
APPROPRIATION: WEST CENTRAL FRONT OF THE CAPITOL, NO YEAR (01X0109)					
Robert L. Furr, Jr.	Contract Administrator	Houston, Texas	Attend course in Critical Path Techniques & the Sperry-Univac SB 1506 Optima - 1100 User Work-Shop MN 4119	1/23/84 - 2/3/84	1,254.85
Robert E. Fiore	Contract Coordinator	Houston, Texas	Attend course in Critical Path Techniques & the Sperry-Univac SB 1506 Optima - 1100 User Work-Shop MN 4119	1/23/84 - 2/3/84	1,105.81
APPROPRIATION: CONSTRUCTION OF AN EXTENSION TO THE NEW SENATE OFFICE BUILDING, NO YEAR (01X0122)					
George M. White	Architect of the Capitol	New York City, New York	Inspect Calder sculpture to be placed in the Atrim of the Hart Building	11/2/83	107.00

APPROPRIATION: CONSTRUCTION OF AN EXTENSION TO THE NEW SENATE OFFICE BUILDING, NO YEAR (01X0122)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1984 - FOR THE PERIOD: OCTOBER 1, 1983 THRU SEPTEMBER 30, 1984

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
Anne-Imelda Radice	Curator	New York City, New York	Deliver and assemble Calder Model of the proposed statudry group to be placed in the Atrim of the Hart Building	11/14/83	133.00
George M. White	Architect of the Capitol	Hartford, Connecticut	Visit shop of Carmen Segre to view progress on model of Calder sculpture	4/12/84	340.25
Paul Pincus	Landscape Architect	Miami, Florida	Select trees to be placed in the Atrim of the Hart Senate Office Building	7/19/84 - 7/21/84	225.26

APPROPRIATION: HOUSE OFFICE BUILDINGS, 1984 (0140127)

David F. Porter	Stone Mason	Greensboro, North Carolina	Inspect granite treads for replacement of Cannon House Office Building Exterior Steps	8/29/84	313.65

APPROPRIATION: MODIFICATIONS AND ENLARGEMENT, CAPITOL POWER PLANT, NO YEAR (01X0136)

John Murray	Attorney	Washington, D.C.	Review documents in reference to contract ACpp - 882 at the Justice Department	10/20/83	3.50
John Murray	Attorney	Washington, D.C.	Review documents in reference to contract ACpp - 882 at the Justice Department	1/3/84	1.50
John Murray	Attorney	Washington, D.C.	Review documents in reference to contract ACpp - 882 at the Justice Department	4/5/84	4.00

APPROPRIATION: LIBRARY OF CONGRESS, JAMES MADISON MEMORIAL BUILDING, LIBRARY BUILDINGS AND GROUNDS, NO YEAR (01X0158)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1984 - FOR THE PERIOD: OCTOBER 1, 1983 THRU SEPTEMBER 30, 1984

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
John C. Salyer	Deputy General Counsel	Washington, D.C.	Attend meeting with the Department of Justice counsel and prospective witness in U.S. v. DeWitt, Poor and Shelton, et al	10/14/83	$ 1.50

APPROPRIATION: SALARIES AND EXPENSES, BOTANIC GARDEN, 1984 (0940200)

Charles W. Dudley	Horticultural Worker	College Park, Maryland	Attend 1984 Interstate Pest Control Seminar	1/31/84 - 2/2/84	71.34

APPROPRIATION: CAPITOL BUILDINGS, 1985 (0150105)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1985 - FOR THE PERIOD: OCTOBER 1, 1984 THRU MARCH 31, 1985

George M. White	Architect of the Capitol	New York City, New York	Participate in an international colloquium concerning Metropolis, 1984	9/26/84 - 10/23/84	$ 911.80
Elliott Carroll	Executive Assistant	Chicago, Illinois	Attend as a representative for the National Institute for Conservation a meeting of its curriculum committee	10/4/84 - 10/5/84	408.81
Newell R. Anderson	Structural Engineer	Gaithersburg, Maryland	Attend seminar on Computer-Aided Engineering and Architectural Design	10/16/84	6.15

APPROPRIATION: CAPITOL BUILDINGS, 1985 (0150105)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1985 - FOR THE PERIOD: OCTOBER 1, 1984 THRU MARCH 31, 1985

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
Scott Birkhead	Head Air-Conditioning Engineer	Gaithersburg, Maryland	Attend seminar on Computer-Aided Engineering and Architectural Design	10/16/84	11.28
William L. Ensign	Assistant Architect of the Capitol	Newark, New Jersey	Inspect portrait bust of the late Vice-President Nelson A. Rockefeller	10/17/84	219.72
J. Raymond Carroll	Director of Engineering	Salisbury, Maryland	Attend Maryland Energy Office's Seventh Annual Seminar on Energy Management For Local Government Officials	10/18/84	72.03
Richard Martin	Electronic Technician Helper	Chicago, Illinois	Attend training seminar on VPR-80 Videotape Recorder and TBC-80 Time Base Corrector	10/21/84 - 11/2/84	588.70
Jerry L. Phillips	Electronic Technician Foreman	Chicago, Illinois	Attend training seminar on VPR-80 Videotape Recorder and TBC-80 Time Base Corrector	10/21/84 - 11/2/84	1,646.62
Valerie A. Sivinski	Architectural Draftsman	Baltimore, Maryland	Attend 38th National Preservation Conference	10/24/84 - 10/27/84	75.74
George M. White	Architect of the Capitol	New York City, New York	Inspect portrait bust of the late Vice-President Nelson A. Rockefeller	11/8/84	136.31
Randall H. Batson	Personnel Officer	Emmitsburg, Maryland	Attend 1984 Training Managers' Workshop	11/18/84 - 11/20/84	33.83
Elliott Carroll	Executive Assistant	Los Angeles, California	Attend meeting of Advisory Council on Historic Preservation	11/25/84 - 11/27/84	526.56

APPROPRIATION: CAPITOL BUILDINGS, 1985 (0150105)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1985 - FOR THE PERIOD: OCTOBER 1, 1984 THRU MARCH 31, 1985

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
Joseph F. Thole	Computer Programmer	McLean, Virginia	Attend seminar on programming (RAPS02 DPS1100)	11/26/84 - 11/30/84	61.50
Robert Gleich	Air-Conditioning Engineer	Gaithersburg, Maryland	Attend HVAC Controls and Solar Energy Systems: User Experience Impacts Field Practice Seminar	12/11/84	12.10
Scott Birkhead	Head Air-Conditioning Engineer	Gaithersburg, Maryland	Attend HVAC Controls and Solar Energy Systems: User Experience Impacts Field Practice Seminar	12/11/84	12.30
Donald P. Sarles	Assistant Electrical Engineer	Vienna, Virginia	Inspect rack mounted equipment and loudspeakers and accessories at the Audio Technical Services, Ltd.	12/21/84	7.67
George M. White	Architect of the Capitol	New York City, New York	Inspect work of Sculptor John Calabro on the portrait bust of the late Vice President Nelson A. Rockefeller	1/16/85	145.99
Patrick G. Hunt	Purchasing Clerk	Vienna, Virginia	Attend Federal Property Management Regulations Seminar	1/21/85 - 1/25/85	38.95
J. Raymond Carroll	Director of Engineering	Chicago, Illinois	Attend meeting of American Society of Heating, Refrigeration and Air-Conditioning Engineers	1/26/85 - 1/28/85	287.25
Kenneth E. Lauziere	Fire Protection Engineer	Beltsville, Maryland	Attend Halon 1301 Fire Extinguishing Systems Seminar	2/13/85	10.87

APPROPRIATION: CAPITOL GROUNDS, 1985 (0150108)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1985 - FOR THE PERIOD: OCTOBER 1, 1984 THRU MARCH 31, 1985

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
Paul Pincus	Landscape Architect	Wilmington, Delaware	Inspect Queen Palms at the Raskob Foundation being donated to the Botanic Garden	10/2/84	$ 5.50

APPROPRIATION: WEST CENTRAL FRONT OF THE CAPITOL, NO YEAR (01X0109)

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
Robert Flore	Contract Coordinator	Washington, D.C.	Discuss scheduling responsibilities with personnel at the Veterans Administration	10/16/84	$ 1.60
Lorraine B. Marchetti	Secretary	McLean, Virginia	Training session on the Sperrylink Terminal	10/15/84 - 10/19/84	88.15

APPROPRIATION: CONSTRUCTION OF AN EXTENSION TO THE NEW SENATE OFFICE BUILDING, NO YEAR (01X0122)

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
William L. Ensign	Assistant Architect of the Capitol	MacArthur Islip, New York	Review progress of the Calder Mobile for the Hart senate Office Building	10/17/84 - 10/18/84	$ 209.79
George M. White	Architect of the Capitol	Hartford, Connecticut	Inspect progress of the Mobile for the Calder sculpture to be installed in the Hart Senate Office Building	1/7/75	54.00
George M. White	Architect of the Capitol	New York City, New York	Inspect progress of the Mobile for the Calder sculpture to be installed in the Hart Senate Office Building	1/23/85	138.17

APPROPRIATION: STRUCTURAL AND MECHANICAL CARE, LIBRARY BUILDINGS AND GROUNDS, 1985 (0150155)

ARCHITECT OF THE CAPITOL - TRAVEL SUMMARY - FISCAL YEAR 1985 - FOR THE PERIOD: OCTOBER 1, 1984 THRU MARCH 31, 1985

TRAVELER	TITLE	DESTINATION	PURPOSE OF TRIP	DATES	AMOUNT
William Timms	Assistant to the Supervising Engineer	Gaithersburg, Maryland	Attend Indoor Air Quality - An Overview Seminar	2/12/85	$ 14.56

APPROPRIATION: STRUCTURAL AND MECHANICAL CARE, LIBRARY BUILDINGS AND GROUNDS, NO YEAR (01X0155)

Jon W. Netherton	Assistant Construction Manager	Gaithersburg, Maryland	Attend Fire Safety In Buildings Seminar	3/12/85	19.07

APPROPRIATION: SALARIES AND EXPENSES, BOTANIC GARDEN, 1985 (0950200)

Charles W. Dudley	Horicultural Worker	College Park, Maryland	Attend Interstate Pest Control Conference	1/29/85 - 1/31/85	64.99

CONTINGENT EXPENSES

Question: According to your justification material, you had a total of $506,080 available for obligation in FY85 for "contingent expenses," $271,080 from FY84 unobligated balances, and $235,000 in FY85 appropriations (of which $96,118 had been allotted but not obligated as of October 1, 1984). Please provide the Committee a complete accounting of all obligations incurred and funds allotted but not obligated through the first half of fiscal year 1985, and additional activities planned for funding through this account. Can all the work you financed from this account be justified as immediate contingencies?

Response: Following is a breakdown of Contingent Expense obligations and funds allotted but not yet obligated for the period October 1, 1984 to March 31, 1985.

	Obligations	Funds Allotted But Not Yet Obligated
Extend Central Chilled Water System, Rayburn Building................	$ 607	.....
Repairs to Bomb Damage.....	363	.....
Construct 2 Guard Houses, Capitol Grounds, East Plaza...................	137	.....
Rockefeller Pedestal, Base and Socle...............	2,500	.....
Study to Modernize and Improve Senate Subway, Phase II................	35,013	.....
Ford Pedestal, Base and Socle...................	2,500	.....
Emergency Repairs to 8-inch Water Supply, Senate Legislative Garage.......	2,500	.....
Installation of Computer Cable, Rayburn Tunnel....	12,493	2,507
Warehouse Rental..........	93,969	381
Travel Expenses - Inspect Equipment for Senate Subway.................	.....	1,000
Service Elevator Platform, Rm. B31F, Russell Senate Office Building..........	.....	29,000
Air Sampling and Training for Handling Asbestos....	.....	2,000
Total Obligated and Unobligated - Fiscal Year 1985 (10/1/84 to 3/31/85)...	$150,082	$34,888

As you may know, we do not have advanced planning for activities which are charged to the "Contingent Expenses" appropriation. These funds are used to cover unforeseen expenses in connection with activities under the care of the Architect. Consideration for the usage of contingent funds is provided for items such as unanticipated alterations to Congressional offices and rooms, and emergency repairs to broken water mains, for example. Expenditures against the Contingent Expenses account are approved on a case-by-case basis during the course of the fiscal year. Approval of the funding is contingent upon the needs of the Congress, availability of funds, and authorizations from the requesting organization as well as from the Commission or Committee having jurisdiction over the space in question (e.g., Senate Committee on Rules and Administration and House Office Building Commission).

CAPITOL BUILDINGS

ELEVATOR TRAFFIC ANALYZER

Question: You are requesting $15,000 for an "elevator traffic analyzer," for which you have stated the following justification, quoted in full:

> "This elevator traffic analyzer will be utilized to perform traffic analysis studies in the Capitol Hill buildings, and will enable diagnostic studies of malfunctioning portions of the elevator group supervisory system. This device will record all pertinent information required to diagnose signal systems for periods up to four days. This elevator traffic analyzer can be moved readily from machine room to machine room as the need arises."

That is gobbledygook if there ever was any. What will this gizmo do, why is that helpful, and why is it worth $15,000?

Response: The elevator traffic analyzer is an electronic instrument that can be attached to elevator signal controls. The micro-processor type device collects detailed data on elevator use patterns such as waiting times at various floors, changes in peak passenger loads, deficiencies in elevator travel times, and so forth. The data will enable our engineers to determine the need for modifications to signal controls. This relatively inexpensive instrument will be invaluable to the Elevator Engineering Division in developing engineering evaluations such as that required in the Hart Senate Office Building.

INSTALLATION OF OFFICE INTRUSION ALARMS

Question: You are requesting $90,000 on a "no year" basis to continue installation of office intrusion alarms. You plan to install 10 systems at an average cost of $9,000 per unit. Is there not a fixed price for these systems? What factors influence varying costs for acquisition and installation of these systems?

Please provide the Committee with a list of offices that have had these systems installed, and the ten that will have them installed with the funds requested for FY86. How were these ten selected?

What has been the total cost of this program to date?

Have you obligated all the funds appropriated for this program in FY84? How are you proceeding with obligation and installation in the current fiscal year? When can we expect this project to conclude?

Response: Each Office Intrusion Alarm System (OIAS) is custom designed to satisfy the unique requirements of each requesting office. Many systems are installed for less than $2,500 and only require door alarms. A few of the installations have exceeded $9,000 due to more sophisticated sensing devices and other requirements.

Safeguarding sensitive documents, artifacts, valuable silverware, and cash are a few of the items that require an OIAS. The systems are installed and monitored as part of the central security function of the Capitol Police. Each request is normally handled in the order received in our office. However, top priority requests are handled immediately. Each request is analyzed and becomes the subject of specific recommendations by the Security Coordination Team which is a function of the Capitol Police. Associated security agencies, such as the F.B.I. or the Secret Service, are asked for assistance if the specific instance so requires. A listing of installations will be provided for the Committee's files. The following summary is provided.

OFFICE INTRUSION ALARM SYSTEM SUMMARY

Systems Operational	Number	Actual Cost
Capitol Complex.................	1	$ 3,915.00
Subtotal, Capitol Complex.....		$ 3,915.00
Senate:		
U.S. Capitol, Senate-Side.....	1	$ 5,421.00
Senate Office Buildings.......	1	4,525.00
Russell Senate Office Building	2	5,330.00
Dirksen Senate Office Building	5	30,640.00
Hart Senate Office Building...	7	36,732.25
400 North Capitol Street......	1	20,438.00
Subtotal, Senate...........	17	$103,086.25
House:		
U.S. Capitol, House-Side......	10	$ 32,788.00
Cannon House Office Building..	2	8,421.00
Longworth House Office Building....................	1	4,346.00
Rayburn House Office Building.	4	10,555.00
House Office Building Annex No. 1.......................	1	6,775.00
House Office Building Annex No. 2.......................	5	42,999.00
Subtotal, House............	23	$105,884.00
Capitol Power Plant.............	2	$ 12,916.00
Subtotal, Capitol Power Plant.	2	$ 12,916.00
Total Systems operational.....	43	$225,801.25 [1]

[1] Actual cost includes value of in-house labor for installation.

The total appropriated amounts have not been expended. It is very difficult to coordinate installation, in most cases, with the activities of a given office or committee. In some instances, the needs of the committee change with time and installations and procedures change accordingly. The number of new requests has diminished during the past two years but we still have a substantial backlog of requests that will probably require funding at the current rate for a minimum of three more years.

The following table indicates the status of OIAS systems that are pending installation and approval, and those that are under survey or pending survey. Installations will proceed as necessary. The project conclusion is difficult to determine as there will be an ongoing need for some type of intrusion alarm system on the Hill.

OFFICE INTRUSION ALARM SYSTEM SUMMARY

Pending Survey

	Number	Cost[1]
Senate:		
U.S. Capitol, Senate-Side	6	.....
Dirksen Senate Office Building	2	.....
Subtotal, Senate	8	.....
House:		
U.S. Capitol, House-Side	3	.....
Rayburn House Office Building	2	.....
House Office Building Annex No. 1.	1	.....
House Office Building Annex No. 2.	1	.....
Subtotal, House	7	.....
Capitol Grounds:		
Subtotal, Capitol Grounds	1	.....
Total Pending Survey	16	.....

Surveys in Progress

	Number	Cost[1]
Senate:		
Russell Senate Office Building	2	.....
Dirksen Senate Office Building	5	.....
Subtotal, Senate	7	.....
House:		
Longworth House Office Building	2	.....
Subtotal, House	2	.....
Total surveys in progress	9	.....

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[1] To be estimated following survey.

OFFICE INTRUSION ALARMS SYSTEM SUMMARY

Pending Approval

	Number	Estimated Cost
House:		
U.S. Capitol, House-Side.........	1	.....
Longworth House Office Building..	2	$ 900
Rayburn House Office Building....	1	1,460
Total pending Approval for House.......................	4	$2,360

Pending Installation

	Number	Estimated Cost
Senate:		
Russell Senate Office Building...	1	$ 425
Dirksen Senate Office Building...	1	1,270
Hart Senate Office Building......	1	400
Subtotal, Senate..............	3	$2,095
House:		
House Office Building Annex No.2.	1	$ 750
Subtotal, House...............	1	$ 750
Total Pending Installation.....	4	$2,845

ROTUNDA CANOPY AND FRIEZE RESTORATION

Question: You are requesting $800,000 in FY86 for conservation of the Rotunda frescoed canopy and frieze. Given that restoration projects of this nature usually take longer than expected, what gives you the confidence that this work can be accomplished in one year? Have you already located potential contractors able to do this work with the "sophisticated restoration techniques" required?

Given that the giornate, however discolored they may be, have some historical significance in that they indicate Brumidi's progress on his work, why not leave them alone, or only repair any physical damage?

Will it be possible to accomplish the canopy work with something other than a floor-to-ceiling scaffold that will undoubtedly be expensive and will inhibit, if not prohibit, tourist and other pedestrian traffic in the Rotunda?

Response: It is true that conservation of artworks often entails tasks found necessary only after dirt, varnish and overpaint are removed, with the result that the work takes longer than estimated. On the other hand, these meticulous tasks should not be hurried. The Architect has indeed indentified potential contractors, one of whom is Bernard Rabin of Princeton, New Jersey, who completed a comprehensive study and pilot treatments of all wall murals in the Capitol in 1982. Dr. Rabin was highly recommended by the National Institute for Conservation and enjoys an international reputation as an expert mural conservator. If the requested funds are appropriated, a contract for the conservator's services can be awarded promptly, thus obligating the funds, even if the work were to take longer than the estimated six months.

With regard to the treatment recommended for the giornate, I refer to an excerpt from Dr. Rabin's 1982 analysis and recommendations, which cites historic records which reveal Brumidi's unhappiness with the prominence of the giornate and his unrealized hope that they would fade in time. For this reason and the later overpainting by others, Dr. Rabin recommends masking of the discolored giornate with reversible colors.

It is my opinion that scaffolding can be accomplished by spanning the forty-foot diameter oculus rather than erecting a floor-to-ceiling scaffold, by the use of modern space frame techniques, at a significant savings. I propose to consult with several scaffolding contractors to determine the feasibility of such a structure. However, the amount requested will provide for floor-to-ceiling scaffolding if a space frame is not feasible. Any savings, of course, will revert to the Treasury.

MINTON TILE

Question: In fiscal year 1982, $1.5 million was appropriated for the replacement of Minton Tile in the Capitol. When will this work start? What has caused the delay?

Response: The first step of this project - locating a manufacturer capable of reproducing these tiles - has been completed. A contract has been awarded to produce tiles for the first phase of installation work, and the manufacturing process is underway, and has been the source of delay in actual installation work. The manufacture of these tiles is by a hand-made process. During the production of the first phase of this project, the manufacturer experienced difficulties with quality control, and the original shipment, due in the fall of 1984, is scheduled to be received during this summer. The installation will be performed by temporary workers under the supervision of the building engineer. The area affected by the first phase is the corridor on the first floor of the Senate Wing from the revolving door to the Hugh Scott Room.

CAPITOL GROUNDS

NEW DUMP TRUCK

Question: You assert that it is more cost effective to spend $26,000 to purchase a new dump truck than continue to repair an old one. Please provide us with the repair cost data that would substantiate this claim.

Response: This dump truck, a 1977 Ford, is used to haul rough debris from Capitol Hill to the Lorton, Virginia, land fill, and makes approximately 3 trips a day.

It should be noted that this truck has approximately 165,000 miles of constant road running, hauling heavy loads of broken concrete and building debris.

A rebuilt motor was installed in 1983 for $1,162.00.

In January 1984, $959.35 was spent for miscellaneous repairs and parts, which were required in order to have the truck pass the D.C. Vehicle Inspection.

Since February 1984 to the present, the following repairs and replacement parts were required:

Rebuilt transmission	$ 435.00
Replace gas tank	139.00
Turn signal controls	53.92
Tires	850.00
Total	$ 1,477.92

Over the past three years, therefore, a total of $3,599.27 has been spent to keep this truck operating. In addition the following work is now necessary to keep the truck in operation:

New motor	$1,300.00
Transmission	800.00
Body Pump hoist	2,500.00
Front end work	500.00
Body work	600.00
Tires	960.00
Miscellaneous & Labor	1,000.00
Total	$7,660.00

Even after this expenditure, we would still have an old, used truck subject to additional major repairs.

TREE DIVISION WORKLOAD

Question: Please provide a list of the specific tree surgeries done in 1984 which required your 5, full-time tree surgeons.

Response: There are approximately 4,000 trees on the Capitol Grounds that are maintained by the 5 full-time tree surgeons.

The majority of these trees are between 75 and over 100 years old, and require constant care of spraying for insects, pruning, trimming and tree cavity work.

The following is an outline of work performed in the tree division for fiscal year 1984.

TREE DIVISION: Summary of Work Performed During Fiscal Year 1984

The trees on the Grounds are maintained and cared for by the tree division assigned to the Capitol Grounds which includes 5 Tree Surgeons and 2 Helpers. The trees are under a planned program for feeding and spraying. Approximately one-half of the trees are fed each year. The trees are periodically inspected by the Plant Pathologists from the U.S. Department of Interior. The chemical spray program which they recommend has been executed. The trees are sprayed in late winter and twice during the summer months, or as often as required. During extremely dry periods the new trees are watered.

Each year we lose several trees which have to be removed from the Grounds. Most of these trees die due to old age.

October 1 - 30, 1983: Trimmed trees in the following locations: D St. between First & Dela. Ave., N.E.; Mass. Ave. & D St., N.E.; Southeast Drive; Southwest Drive; Taft Lot; La. Ave., N.E.; D St., S.W.; Northeast Drive; Virginia Ave., S.W. Night Spraying.

November 1 - 31, 1983: Trimmed trees top of Senate Garage; Southeast Drive. Fed trees N.W. and N.E. Grounds; both sides of First between D & Mass., S.W.; First St., N.E. between C St. and D St.; both sides of La. Ave.

December 1 - 31, 1983: Fed trees C St., N.W.; worked on Christmas tree ornaments; worked on Christmas tree.

January 3 - February 29, 1984: Removed Christmas tree, worked in shop sharpening and cleaning tools; removed trees and cut logs, shredded brush; trimmed trees caused by wind damage; shoveled snow. Fed trees and started night spraying. Set concrete tubs and filled with gravel.

March 1 - 31, 1984: sprayed trees with Scaleside; trimmed Elms on Northeast Drive and Red Oaks on D St., N.E.; removed tree stumps; worked on tools, performed cavity work on several trees. Shoveled snow.

April 1 - 31, 1984: Worked on feeding trees; continued night spraying; trimmed Magnolias on C St. Lot; Cherry trees at Reflecting Pool; staked and wrapped trees; watered new trees.

May 2 - 31, 1984: Continued night spraying; trimmed Cherry trees RHOB Horseshoe; Esso Lot, N.W.; Linden trees Indep. Ave., S.W.; ground brush; trimmed Red Oaks First & Const. Ave., N.W. and Lindens on D St., S.W.

June 1 - 30, 1984: Sprayed trees at night; trimmed trees RHOB Horseshoe; Canal St., S.W.; First St., N.E.; top of Senate Garage; East Front of the Capitol; Northeast Drive; New Jersey and C St., S.W.

July 1 - 31, 1984: Trimmed White Oak South Capitol, S.W.; continued night spraying; trimmed Oaks on Southwest Drive; Lot 684; Library Drive; Senate Court Yard; First St. S.E., Maryland Drive, N.E.; Second & C Sts., S.E. and Virginia Ave., S.W.

August 1 - 31, 1984: Continued night spraying; trimmed trees on C St., N.E.; Taft Lot, Northwest Drive; First & C St., S.E.; Northeast Drive; ground brush and hauled to Nursery.

September 1 - 30, 1984: Continued night spraying; trimmed dead wood out of Linden at Grotto; Southeast Drive; Southwest walkway across from RHOB; Northeast Drive; East Capitol St. at Supreme Court; Southeast Drive; C St., N.E. HSOB; La. Ave., N.W.

LIST OF TREES REMOVED FROM CAPITOL GROUNDS:

1	4"	Crabapple	C St., S.W. Lot #5
1	6"	Crabapple	C St., S.W. Lot #5
1	4"	Red Oak	Mass. Ave., N.E.
1	8"	White Pine	Mass. Ave., N.E.
1	10"	Linden	First St., S.W. RHOB
2	10"	Crabapple	D St., N.E.
1	4"	Red Oak	D St., N.E.
1	12"	Maple	C St., N.E. RSOB
1	16"	Peach	First & Const., N.W.
2	8"	Linden	C St., N.E. HSOB
1	24"	Elm	First St., S.E.
1	12"	Sycamore	Md. Ave., S.W.
1	10"	Maple	First St., N.W.
1	22"	Cedar	Southwest Dr.
1	22"	Cedar	Northwest Dr.
1	4"	Linden	C St., N.E. HSOB
1	36"	Elm	First St., S.E.
1	42"	Elm	First St., S.W. RHOB
1	12"	Larch	C St., N.E. HSOB
1	12"	Cryptomeria	Southwest Dr.
2	10"	Cryptomeria	S.W. Capitol Wall
1	12"	Cryptomeria	N.W. Capitol Wall
1	36"	Sycamore	Northwest Front of Capitol
1	12"	Red Oak	Taft Lot, N.W.
1	4"	Linden	C St., N.E. HSOB
1	18"	Maple	C St., Garage RHOB
1	12"	Maple	Indep. & First St.,S.W.
1	40"	Sycamore	Pond Lawn
1	28"	Red Oak	Mass. Ave., N.E.
1	20"	Red Oak	D St., N.E.
1	50"	Elm	First St., S.W.

SHUTTLE VAN

Question: Last year Congress appropriated $3,000 as requested, for rental of a second shuttle van, and directed that the position of driver be filled by existing personnel. It is my understanding that the van was not ordered until March of this year and that it has not been delivered. What accounts for this delay? Doesn't the delay indicate the service is not a priority matter and can be cancelled or delayed?

Response: The delay in ordering an additional shuttle van was occasioned by the lack of funds from which to compensate drivers. As you may recall, the shuttle service and expenses connected therewith are authorized under the appropriation "Capitol Grounds" which was seriously impacted by added expenses resulting from a substantial increase in solid waste disposal. During January, 1985, we experienced an increase of 30% over November, 1984, in the tonnage of material removed from the buildings and an increase of 24% over December, 1984. Hopefully, that situation is abating and will further lessen with delivery of the new trash compactor.

The shuttle service is a priority matter as indicated by the fact that an average of 233 riders use the service daily. We have placed an order for the additional shuttle van, which has been scheduled for delivery in May. We will, of course, endeavor to provide the drivers, by deferring other expenses. Two (2) drivers are required to operate the shuttle vans in order to cover the entire workday, and to provide operators during vacation and sick periods. The vans are operated ten (10) hours per day, plus the operators have to be on duty 30 minutes before the start of the day to make certain that equipment has been properly serviced; time is allowed, also, for them to arrive at the location for commencement of the daily service. At the conclusion of the last run, the drivers are required to return the van to the Senate garage for servicing by others in preparation for the next day's activities.

SENATE OFFICE BUILDINGS
RODENT PROBLEM

Question: Though the rodent problem in the Senate buildings may not be as severe as it is for our colleagues on the House side, what measures have you taken and plan to take to keep the rodent and insect population down in the Senate buildings?

Response: A contract for the pest control program for the Senate Office Buildings, the Capitol, the House Office Buildings and the Capitol Grounds is awarded each year to the successful bidder in response to an annual Request for Proposals, containing specifications developed by this office in consultation with entomologists, the Capitol Sanitarian and the Attending Physician. The program has been effective in all areas except the House Office Buildings, which experienced an upsurge in the incidence of cockroaches this year. An intensive building-wide spraying of each of the House Office Buildings in succession is currently in progress, starting very successfully in April with the Cannon House Office Building. The intensive treatment was determined in consultation with the same authorities mentioned above, who advise that the methods employed in the basic annual contract are adequate and need be augmented only when unusual concentrations arise. Nevertheless, the FY 1986 Request for Proposals will require regular treatment of all spaces rather than only upon request as in the past.

FIRE SERVICE MODIFICATIONS

Question: The request for fire service modifications to Dirksen Building elevators is for passenger elevators only. What about the need in freight elevators?

Are the other elevators in the Russell, Hart, and annex buildings equipped with those modifications? If not, when will funds for their modification be requested?

Response: Since the freight elevators are used primarily by in-house maintenance personnel who are aware of their surroundings and procedures in case of emergency, as compared to the staff and the public who may be using the passenger elevators, we do not consider that the three freight elevators in the Dirksen building are necessary to be provided with this safety feature at this time. We expect to ask for funds in the future to renovate these freight elevators and will incorporate this control at that time. All of the elevators in the Russell and Hart Buildings have the fire service feature.

DIRKSEN BUILDING AIR CONDITIONING UNITS

Question: You are requesting $750,000, the first year of a four year program totaling $3,000,000, for the replacement of Dirksen Building air conditioning units. What progress has been made on the Russell Building project? How soon can work begin on the Dirksen project?

Response: As stated in the justifications, the funds requested for the Dirksen Building are to continue the replacement program in this building started in 1975. These funds will complete the replacement of all units originally installed when the building was constructed in 1958. We are commencing the replacement of the units in the Russell Building and will start this program in the Dirksen Building as soon as funds become available. Generally, we cannot take an existing unit out-of-service until November in order to have cool weather and not every unit can be taken out-of-service at the same time. Therefore, these projects tend to extend over a fairly long period of four or five years to complete all of the work required.

ASBESTOS REMOVAL

Question: The March 22, 1985 edition of the St. Louis Post Dispatch alleges that the Senate office buildings are plagued with "blue mud" or asbestos. For how long have you been aware that this problem has existed?

Raymond Carroll of your office is quoted in article as reporting that the presence of asbestos insulation and fireproofing is not a cause for serious thought. Given the proven scientific link between asbestos and certain kinds of cancer in humans, what do you think should be done?

Response: The current work relating to handling of materials containing asbestos in the Senate Office Buildings began in September 1984, and is an on-going activity in the Dirksen Building sub-basement and in the Russell Building Attic. In order to describe our activities in this regard, I believe that it would be useful to introduce the memorandum that follows.

The quote attributed to J. Raymond Carroll, Director of Engineering, is incorrect. The discussion with the reporter related to the fact that asbestos can be contained, enclosed, or encapsulated and therefore, not be in a state whereby it is injurious to health unless disturbed or damaged.

UNITED STATES GOVERNMENT
memorandum
ARCHITECT OF THE CAPITOL
WASHINGTON, D.C. 20515

DATE: May 22, 1985

REPLY TO ATTN OF: J. Raymond Carroll, P.E.
Director of Engineering

SUBJECT: Asbestos
Capitol Complex

TO: George M. White, FAIA
Architect of the Capitol

Because of recent activity in connection with the presence of asbestos in various locations in the Capitol Complex of buildings, it appeared appropriate to prepare this informational memorandum.

As is well known, asbestos was commonly used as an insulation material in most buildings in the United States constructed more than five years ago and the buildings in the Capitol Complex are no exception. We are aware, for example, that many of the pipes and ducts installed in these buildings have been covered with materials containing asbestos fibers. However, these materials are normally encased or encapsulated and, unless disturbed or damaged, the asbestos fibers cannot be released into the air. If asbestos fibers were released into the ambient air, they could be deemed to be a source of difficulty for those personnel in the area. Of course, it is possible that these materials can be inadvertently damaged by maintenance personnel, or others in the vicinity of the pipes and ducts, and the damage not reported to the proper authority for correction. Because such conditions relating to a known carcinogen are cause of great concern, we have had our inspectors [illegible]mine all buildings over a period of several months in order to locate all [illegible]le sources.

There are approximately twelve million square feet of floor area under roof in the Capitol Complex and therefore, from time to time, an obscure location is discovered that was not previously identified. This was the case recently on the fifth floor of the Cannon Building. The areas in question have been inspected and corrective action is being taken, as necessary. It is reported to me, that the material above the corridor ceiling in the fifth floor of the Cannon Building is rock wool insulation, and not asbestos; however, there are pipes and ducts that pass through the attic that do have materials containing asbestos and need to be repaired if they have been inadvertently abraded.

Recently, work in the attic of the Russell Building and in the sub-basement of the Dirksen Building, related to the installation of cable for office computers, caused abrasion of sealed asbestos duct coverings. Corrective action was immediately initiated when the conditions were discovered and reported.

Because of concern that the materials containing asbestos might allow the release of asbestos fibers into the ambient air in these two areas, we contracted with Aerosol Monitoring and Analysis, Inc., Hunt Valley, Maryland, to provide instruction to our in-house maintenance forces regarding the possible dangers and the correct procedure when handling materials containing asbestos. We also contracted with this same firm to obtain actual air samples and to determine, by laboratory analysis, if asbestos fibers were in the air in these two areas because of the work activity. Their report corroborates our opinion that, irrespective of the obvious damage in the immediate past to the plaster duct covering in these two areas, concentrations of asbestos fibers are not floating in the air. Their analysis of the air samples indicates that, in every case, asbestos fibers were either not detected or were extremely low in quantity, i.e., below 0.1 fibers per cubic centimeter, an amount which is virtually undetectable and considered acceptable by experts in this field.

We have arranged for this same firm to take air samples on the fifth floor of the Cannon Building on Tuesday, May 28, where our maintenance forces are repairing damaged pipe covering that has been identified in this area. The Building Superintendent is asking the occupants in these areas to cooperate by moving their stored materials so that maintenance personnel can gain access to the pipes to repair the damage where it has been identified. As you know, we are following procedures established by EPA for the handling of materials containing asbestos.

At your direction, we are actively engaged in a Hill wide program to test air samples in all buildings in order to be reassured that no asbestos problem exists, to repair and enclose or encapsulate all existing conditions where asbestos materials have been exposed, to train employees in the recognition of adverse asbestos conditions and the proper safety methods for handling it, and to reinspect all areas where asbestos may possibly have been installed in the past.

I shall continue to keep you informed as progress is made. Obviously conditions of a nature such as this that may be hazardous to health and safety are viewed with the gravest concern and every effort is being made to rectify the situation as rapidly as possible.

SENATE COMPUTER CENTER

Question: It is our understanding that your air conditioning replacement project in the Computer Center at 400 North Capitol is prompted by episodes of computer failure due to overheating. Can you document these failures and describe their impact on service to the Senate?

Response: Except for infrequent disruptions of electrical power to the buildings, we are not aware of a history of computer failures in the Computer Center at 400 North Capitol. In fact, our engineering and maintenance personnel have worked very closely, through the years, with the staff at the Computer Center to prevent failures.

The current request to replace six (6) of the older packaged air conditioning units is to further insure that computer failures in the future will not be caused by lack of adequate air conditioning.

Question: You are requesting $249,000 for replacement of six air conditioning units in the Senate Computer Center at 400 North Capitol Street, in order to reduce computer failure due to overheating. Will installation of the new units remedy that problem or will additional cooling capacity be required?

Response: The replacement of the six (6) older packaged air conditioning units will not substantially increase the cooling capacity of the facility. Modern state-of-the-art computer equipment usually requires less energy and, therefore, increased cooling capacity is not foreseen to be required in the immediate future. However, the replacement will ensure that this older equipment will not fail suddenly due to old age and therefore cause a failure of the computer equipment.

PLAZA HOTEL

Question: When will the Plaza Hotel be demolished? When will the paving work take place? Will landscaping and lighting be provided?

Response: The Plaza Hotel, currently occupied by the Capitol Police, will have to remain in use until the renovation of the Immigration Building is completed, which is scheduled for the fall of 1986 and into which the Police will be moved. After that, the Plaza Hotel can be demolished. The demolition funds were appropriated on an annual basis in fiscal year 1985. Because the balance available for the Plaza Hotel would lapse at the end of this fiscal year, before the demolition can take place, it has been requested to continue the unobligated balance at the end of the year on a "No Year" basis. The paving work, which will be accomplished following the hotel's demolition, includes plans for lighting. Landscaping will be performed with in-house forces.

IMMIGRATION BUILDING

Question: Please update the Committee on your plans for renovation of the Immigration Building, for which $5,500,000 was provided last year. Specifically, how much of that amount has been obligated, what is your current estimate of total cost, and dates for initiation and completion of construction? Given those dates, is it necessary to request funds for furnishing the building?

Response: The final design, including specifications and working drawings, is under preparation at this time. Due to several program changes requested by the new Chief of the Capitol Police, some minor revisions have been made, causing a slight delay in the design effort. The design is projected to be completed within four months, with construction beginning afterwards. Construction completion will require twelve to fourteen months, and the building should be ready for occupancy in the fall of 1986.

Of the $5,500,000 appropriated, $20,085 has been obligated for expenses incurred during demolition work, leaving a balance of $5,479,915. The work is still estimated to be completed with the available amount.

Funds have been requested in the fiscal year 1986 budget to provide for furniture and furnishings for the building. These monies are required at this time to provide for adequate lead time to procure the necessary items for the Capitol Police before they move into the renovated building.

NORTH CAFETERIA, DIRKSEN BUILDING

Question: Please provide the Committee with a status report on the north cafeteria renovation in the Dirksen building. Is this project on schedule, and can we expect it to be under budget?

Response: The north cafeteria renovation is anticipated to be completed by the end of the August recess period. Quality control difficulties with the kitchen equipment supplier appear to have been resolved.

The cafeteria work that was originally anticipated will be completed within the budgeted amount of $2,500,000. Additional scope items and unanticipated changes have increased the cost of some of the work. A review of unobligated and unliquidated funds for the project is being made to determine if sufficient funds are available to complete the work within the appropriated amount.

HART SENATE OFFICE BUILDING

CALDER SCULPTURE

Question: When do you expect installation of the Calder stabile/mobile in the Hart atrium? It is my understanding that the sculpture itself has been funded by private donors, but will there be any additional cost associated with installation not covered by those donations, and if so, how long will that cost be covered? Perhaps in responding to these questions you should review the history of this enterprise.

Response: The Calder stabile/mobile will be installed in the Hart Building atrium during a period when the Senate is in recess in order to minimize disruption. Every effort is being made to perform this operation during the late summer recess.

The Capitol Art Foundation, a group of private donors, will fund the sculpture which will be a gift to the United States Senate. Although the actual erection of the sculpture will be performed by the two fabricators, some support services will be provided by the government. Some of these tasks are:

Installation of protective flooring;
Pedestrian barricades.

The cost of this support service is estimated to be $10,000, a sum provided from the unallotted contingency funds for the construction of the Hart Building.

After various famous American sculptors had submitted suggestions for a sculpture for the Hart atrium, Mountains and Clouds by Alexander Calder was selected by a group that included the Architect and representatives of the Smithsonian Institution, the National Gallery, and others. The selection was then presented to the Senate Office Building Commission for approval. Specifically designed for the atrium space, the maquette was refined during the final year of Calder's life and completed the day before his death. It is further unique in that it is the only Calder sculpture that combines a mobile and a stabile in a single work.

Because of cost considerations during the construction of the building, monies allocated for works of art were reallocated. Former Senator Nicholas F. Brady of New Jersey (August 1982 - January 1983) recognized the need for artwork in the Hart atrium and learned of the existence of the Calder maquette. Following his service in the United States Senate, he offered to raise private funds for the fabrication of the sculpture and donate it to the Senate. By letter on March 19, 1985, the Honorable Robert T. Stafford, Chairman of the Senate Office Building Commission, informed Senator Brady that he wished to have a dedication ceremony to recognize the generosity of the donors.

ATRIUM TREES

Question: What additional expense, if any, has been incurred for the maintenance of the ficus trees donated for placement in the Hart building?

Response: The only additional expense incurred for maintenance of the ficus trees was $41.76 for the purchase of 2 hand pumps, used to pump water out of the tree planters.

HART PROJECTS

Question: A good deal of work continues in the Hart Building, notably such activities as finishing a "catering service area" on the ninth floor, and other work being accomplished through the application of unobligated balances. Not until recently has there been a notification procedure for this work, and that has been established only at the initiative of this committee. Do you not agree that this committee must be kept informed about the expenditure of appropriated funds, and do we have your commitment to do so?

Please provide us with the documentation authorizing you to proceed with the remaining work in the Hart Building using unobligated balances, specifically with reference to the ninth floor catering facility and the rooftop tennis court.

Response: I, of course, will be more than pleased to exert more effort to keep the Committee informed of activities such as those mentioned in the Hart Building. This project, from inception, has by law been under the direction of the Senate Office Building Commission. In the past, we justified our funding request to the Appropriations Committee on the basis of authorization provided by the Commission. The funds, once appropriated, have been obligated under the direction of the Commission, as was the case with the Hart Building Ninth Floor Special Function area.

The Senate Office Building Commission met on March 19, 1982 and authorized the completion of certain unfinished areas in the Hart Building, including auxiliary office spaces, central hearing facility, and central wing first floor offices. These projects are being completed from savings accruing during the construction process. The ninth floor facility was authorized to be completed for catering purposes by action of the Chairman, Senate Office Building Commission on March 29, 1984 (see attached). This project was also completed with savings.

The rooftop tennis court was included in the original Superstructure construction contract as a part of the original plans for the building.

Washington, D.C. 20515

March 29, 1984

The Honorable Robert T. Stafford
Chairman
Senate Office Building Commission
Washington, D.C. 20510

Dear Mr. Chairman:

During a recent inspection tour of the Hart Senate Office Building with Rules Committee Chairman Mathias, I recommended that the ninth floor space originally planned as a dining facility be used as a special function area for meetings, receptions, and catered events. You will recall that the dining facility was deferred in 1979, and was not an area authorized by the Commission to be completed from savings in 1982.

Chairman Mathias approved my recommendation for allocation of the space for the purposes indicated, and requested that we develop plans and estimates of cost to complete the area for occupancy. The original plans for the dining facility provided for a restaurant complete with a formal dining area, kitchen, and support activities, at an estimated cost of $1,412,100. The present proposal includes only the simple finishing of walls, ceilings, floors, and other such items of an architectural and engineering nature; the existing toilet facilities on that floor will be used instead of finishing the additional originally planned toilet rooms, and the kitchen area will be finished as a simple serving area with perhaps a sink or other minimal facilities. I estimate that the cost of completing this space as described for special functions will not exceed $250,000.

There is a sufficient unobligated balance in the existing Hart Building appropriation to defray the cost of this work, and, accordingly, I respectfully request your approval to proceed with the obligation of funds for this purpose.

I shall, of course, be pleased to discuss this matter in detail should you deem that desirable.

Cordially,

George M. White, FAIA
Architect of the Capitol

APPROVED:

Robert T. Stafford
Chairman
Senate Office Building Commission

CAPITOL POWER PLANT

PEAK SHAVING GENERATOR

Question: In your justifications for the $1,880,000 peak shaving generator is a calculation of estimated energy cost savings. How were these figures determined?

Response: The Potomac Electric Power Company (PEPCO) instituted a "Time of Day" rate schedule in May of 1980, applicable to customers with electrical loads that exceed 100 kilowatts (KW) of demand. The rate placed a penalty on use of electricity during periods of peak demand. Peak demand periods are defined in the rate as:

> "Monday thru Friday for the hours from 12:00 noon to 8:00 pm, holidays excluded, for the months of June, July, August and September"

In addition to the rate value charged for the peak demand measured in each summer month, there is an additional charge levied each month for the maximum peak demand recorded during the prior 11 months.

Currently, the summer peak demand charge is $9.20 per KW plus $5.65 per KW for the prior maximum demand. This results in a total charge of $104.60 annually for each kilowatt of peak demand. (4mo's X $9.20/KW + 12mo's X $5.65/KW = $104.60/year/KW) A revised rate schedule issued in late 1984 modified the annual charge for the peak KW demand to $11.20 per year. (4mo's X $9.80 + 12mo's X $6.00)

The Capitol Power Plant is the only building in the Capitol Hill Complex that has the potential for significant peak demand shaving since it provides air conditioning for all other buildings that are metered under the Time of Day PEPCO rate. As a result, the summer demand at the Power Plant is three times the minimum demand during the winter months, while demands in other buildings are essentially constant throughout the year.

To further illustrate, the following tabulation indicates the electrical demand and associated cost for FY84 at the Capitol Power Plant:

Month FY 84	Prior Maximum Demand (KW)	Cost @ $5.65/ (KW)	Current Peak Demand (KW)	Cost @ $9.20/ (KW)	Total Monthly Demand Charge
Oct	19,309	$109,094	16,452		$109,094
Nov	19,309	109,094	10,191		109,094
Dec	19,309	109,094	8,409		109,094
Jan	19,309	109,094	6,534		109,094
Feb	19,309	109,094	9,240		109,094
Mar	19,309	109,094	9,070		109,094
Apr	19,309	109,094	11,080		109,094
May	19,309	109,094	14,296		109,094
Jun	19,309	109,094	16,481	$151,119	260,213
Jul	18,874	106,638	16,756	154,154	260,792
Aug	18,315	103,477	18,315	168,949	272,246
Sep	18,315	103,477	15,928	146,536	250,013
TOTALS:		$1,295,483		$620,758	$1,916,238

To limit peak demand, it is necessary that the reduction occur in anticipation of the load forecast for each 30 minute interval during the peak demand period described in the PEPCO rate. Therefore, it is necessary to be able to forecast loads and then take the necessary action to reduce the load to some preselected level.

Question: One of your arguments for the peak shaving generator at the Capitol Power Plant is to provide for emergency power supply in the Jefferson and Adams Buildings of the Library of Congress, where "obsolete" but presumably functional generators are to be removed in the renovation of those buildings. Why is the removal of these generators required by the renovation project?

Response: The existing generator in the Adams Building is a World War II surplus army unit for which spare parts do not exist. The generator in the Jefferson Building is a relatively small, old, unit that is still operational. We are considering moving that unit to serve the U.S. Capitol Police Headquarters in the remodeled Immigration Building. New larger generators for the Jefferson and Adams Building, to satisfy their modern office needs, will cost approximately $600,000 to $800,000. We believe that it is more logical, and will require less expenditure for equipment and maintenance in the future, to serve the emergency generator requirements of the Library buildings by connecting them to the new peak shaving generators requested to be installed at the Capitol Power Plant.

LIBRARY BUILDINGS AND GROUNDS
STRUCTURAL AND MECHANICAL CARE

REPLACEMENT OF CENTRAL PROCESSOR

Question: Given the youth of the Madison building, why does the fire and life safety system central processor need replacement ($265,000)?

Response: The Madison Building was designed in the early 1970's and constructed in the late 1970's. The electronic computer for the fire and life safety system is approximately ten (10) years old, and is no longer supported by the manufacturer, and is causing continual maintenance problems. This computer will be replaced with a state-of-the-art unit having considerably more power and speed and will be compatible with other computers in our engineering group so that maintenance can be efficiently and economically performed by in-house personnel.

LIGHTING CONTROL SYSTEM

Question: You are requesting $525,000 under Library Buildings and Grounds to install a control mechanism to turn lights off in the Madison Building. Is this really necessary? Can those who clean the rooms at night, or the police people on patrol be responsible to do that?

If the control mechanism were used, what do you calculate the savings to be?

Response: The program is to allow individual occupants to turn on only those lights necessary for their task in their work area and not all of the lights in a zone as currently operated. The current operation is extremely wasteful of energy. The justifications state that the funds would be recovered in approximately two (2) years in energy savings, approximately a 9% per year reduction in electrical energy use, or approximately $270,000 per year savings.

AIR CONDITIONING MAINTENANCE

Question: What accounts for the substantial increase of $35,000 in maintenance for the Madison Building's automated HVAC system? What is the total cost of this maintenence?

Response: The increase is due to needs for the automated HVAC system which refers to the JC80 computer and the loop remotes that monitor the various instruments installed on the Madison Building air conditioning systems. This computer equipment is 1970's vintage and requires frequent maintenance and replacement of its electronic components. The electronic logic boards, particularly in the loop remotes, require replacement at regular intervals.

BOTANIC GARDEN

Question: You explain in your justification that you need to tear down the Bartholdi fountain at the Botanical Garden before you can estimate the costs of repairing it. Is that really the only way you can proceed? On its face, that solution sounds the least cost-effective.

Response: The several professional conservators who have been asked to recommend restoration treatment and estimate costs for repairs to the 1876 cast iron Bartholdi fountain have been very reluctant to commit themselves either to recommended treatment or to cost estimates without disassembly, which exposes hidden conditions. Accordingly, the budget request covered only disassembly in order to provide the opportunity for first hand professional diagnosis by conservators. After preparation of the budget request, soon after the Senate Appropriations Subcommittee on the Legislative Branch hearings, one prospective conservator cautioned that repair of some potential problems that might be disclosed by disassembly could cost far more than had been previously estimated. Thus it seems more prudent to use these funds to undertake paint removal, repainting and minor replacement of corroded bolts and parts by in-house forces, rather than disassembly and discovery of problems too costly to be reasonable.

PAY SUPPLEMENTAL

Question: Provide for the record your requested pay supplemental, your previously anticipated absorption, and any additional absorptions you may be able to make.

Response: The following table provides the information requested.

Architect of the Capitol
House, Senate and Joint Items
Analysis of Additional Absorptions
Supplemental Pay Appropriations
Requested for Fiscal Year 1985

	Gross Cost	Previous Absorption	Additional Amount Now Required	Additional Absorption	Total Absorption	Amount Now Required
Salaries, Office of the Architect of the Capitol	$ 133,000	$ 14,000	$	$ 44,000	$ 58,000	$ 75,000
Capitol Buildings	154,800	800	.....	54,000	54,800	100,000
Capitol Grounds	59,600	6,600	47,000	.....	6,600	100,000
Senate Office Buildings	379,600	119,600	.....	160,000	279,600	100,000
House Office Buildings	477,800	137,800	.....	217,000	307,800	123,000
Capitol Power Plant	83,600	13,600	.....	.....	13,600	70,000
Total, Architect of the Capitol (excluding Library and Botanic Garden)	$1,288,400	$ 292,400	$ 47,000	$ 475,000	$ 720,400	$ 568,000
Library Buildings and Grounds Structural and Mechanical Care	116,600	26,600	.....	.....	26,600	90,000
Salaries and Expenses, Botanic Garden	46,900	10,900	.....	.....	10,900	36,000
Total, Architect of the Capitol	$1,431,900	$ 329,900	$ 47,000	$ 475,000	$ 757,900	$ 694,000

PROGRAM FOR ENERGY CONSERVATION

Question: Last year $1,190,000, or approximately half, of the requested appropriation for the Program for Energy Conservation was approved. You are requesting $1,185,000 in fiscal year 1986. Provide a brief status report on installation activities thus far, and explain how and when the remaining funds will be obligated.

What are the specific expenses involved in the energy conservation program in the library buildings which you estimate will cost $205,000? In the Capitol buildings for $160,000? In the Senate buildings for $500,000?

Response: Most of the funds requested for the Program for Energy Conservation (PEC) for the Senate Office Buildings are for instruments and controls to be installed on existing air conditioning and electrical equipment so that monitoring and control can be achieved through the central computer controlled Energy Management and Control System (EMCS). It is highly desirable, if not absolutely necessary, that individual instruments and controls be of the same manufacturer and of the same vintage. Therefore, sufficient funds must be available at any one time to buy this equipment in fairly large quantities to be stored and installed, as time is available, by in-house maintenance personnel. It is expected that these funds will be expended during the next two years.

Attached is a cost estimate for the EMCS for each of the buildings in question. The Madison building cost estimate is $50,000 for additional instruments and controls compatible with the central EMCS system.

ESTIMATE OF LOC TJB EMCS BUDGET IS BASED ON THE FOLLOWING EQUIPMENT:

15 AIR HANDLING UNITS

SUPPLY AND RETURN AIR TEMPERATURES @200	400
CHILLED WATER TEMPERATURES @200	400
MISCELLANEOUS TEMPERATURES	800
START/STOP CONTROL WITH PROOF BY CT	200
MISCELLANEOUS ALARMS	400
HUMIDITY MONITORING	1,500
SPRAY PUMP START/STOP WITH PROOF BY CT	200
TOTAL PER UNIT	3,900

15 UNITS X 3900	- 58,500
10 EXHAUST FANS START/STOP @200	- 2,000
12 MISC PUMPS START/STOP, ALARMS @300	- 3,600
8 CIRCULATING PUMPS START/STOP, ALARMS @300	- 2,400
ANTIFREEZE PUMPS START/STOP, TEMPERATURE	- 3,000
CONTROL AIR (PRESSURE,ALARM,EP)	- 3,600
DX UNITS (PRESSURE, TEMPERATURE, ALARMS)	- 8,000
DHW & KHW (START/STOP, ALARMS, TEMPS, PRESS)	- 10,000
SUBTOTAL	- 24,900
ELECTRIC METERING	- 8,000
SPECIALIZED LABOR	- 70,000
INSULATION	- 20,000
TOTAL	-181,400
................................BUDGET	$180,000

ESTIMATE OF LOC JAB EMCS BUDGET IS BASED ON THE FOLLOWING EQUIPMENT:

15 AIR HANDLING UNITS

SUPPLY AND RETURN AIR TEMPERATURES @200	400
CHILLED WATER TEMPERATURES @200	400
MISCELLANEOUS TEMPERATURES	800
START/STOP CONTROL WITH PROOF BY CT	200
MISCELLANEOUS ALARMS	400
HUMIDITY MONITORING	1,500
SPRAY PUMP START/STOP WITH PROOF BY CT	200
TOTAL PER UNIT	3,900

	15 UNITS X 3900	- 58,500
10	EXHAUST FANS START/STOP @200	- 2,000
7	MISC PUMPS START/STOP, ALARMS @300	- 2,100
6	CIRCULATING PUMPS START/STOP, ALARMS @300	- 1,800
	ANTIFREEZE PUMPS START/STOP, TEMPERATURE	- 3,000
	CONTROL AIR (PRESSURE,ALARM,EP)	- 3,600
	DX UNITS (PRESSURE,TEMPERATURE,ALARMS)	- 5,000
	DHW & KHW S/S ALARMS, TEMP, PRESS, FLOW	- 10,000
	SUBTOTAL	- 27,500
	ELECTRIC METERING	- 8,000
	SPECIALIZED LABOR	- 70,000
	INSULATION	- 20,000
	TOTAL	-184,000
	................................BUDGET	$185,000

ESTIMATE OF CAPITOL EMCS BUDGET IS BASED ON THE FOLLOWING EQUIPMENT:

40 AIR HANDLING UNITS (14 POINTS PER UNIT)

SUPPLY AND RETURN AIR TEMPERATURES @200	400
CHILLED WATER TEMPERATURES @200	400
CHILLED WATER FLOW OR PACKAGE UNIT ALARM POINTS	1,600
MISCELLANEOUS TEMPERATURES	800
START/STOP CONTROL WITH PROOF BY CT	200
MISCELLANEOUS ALARM	400
HUMIDITY MONITORING	1,000
MISCELLANEOUS MODIFICATIONS	200
TOTAL PER UNIT	5,000

40 UNITS X 5,000 =200,000

27 EXHAUST FANS START/STOP @200	= 5,400
14 CONDENSATE PUMP ALARMS @100	= 1,400
18 CIRCULATING PUMPS (DHW,KHW) START/STOP, ALARMS @300	= 5,400
6 BOOSTER PUMPS (PRESSURE,ALARMS) @500	= 3,000
4 CONTROL AIR (PRESSURE,ALARM,EP) @600	= 2,400
2 CHAMBER CHILLERS (PRESSURE,TEMPERATURE, ALARMS) @1000	= 2,000
5 SMALL CHILLERS (START/STOP,ALARMS)@500	= 2,500

636 POINTS SUBTOTAL =222,100

ELECTRIC METERING	= 8,000
INSULATION	= 25,000
LABOR	= 70,000
TOTAL	=325,100

.... BUDGET $325,000

PROGRAM FOR ENERGY CONSERVATION

BUDGET ESTIMATES

FN82138 - HART SENATE OFFICE BUILDING

BUDGET ESTIMATE IS BASED ON THE FOLLOWING EQUIPMENT:

26 AIR HANDLING UNITS MONITORED AS FOLLOWS:

SUPPLY AND RETURN AIR TEMPS	400
AIR FLOW	300
CONTROL EP FOR RESET OPERATION	300
HUMIDITY MONITORING	500
CHILLED WATER SUPPLY AND RETURN TEMPERATURES AND FLOW	2,000
MISC TEMPERATURES	800
MISC ALARMS	1,500
STOP/START CONTROL WITH PROOF	200
TOTAL PER UNIT	6,000

26 UNITS X 6,000		- 156,000
11 HEATING AND VENTILATING UNITS	@4000	- 44,000
33 EXHAUST FANS S/S,CONTROL EP	@400	- 13,200
20 SENATORS SUITES AND CRITICAL AREAS TEMP CONTROL	@2000	- 40,000
DHW,KHW S/S FOR PUMPS,ALARMS,TEMPS,PRESS		- 20,000
6 HEATING HOT WATER PUMPS S/S,ALARMS	@300	- 1,800
18 HEAT EXCHANGERS, STEAM CONVERTERS TEMP,PRESS,EP	@1000	- 18,000
CONTROL AIR PRESSURE,ALARM,EP		- 3,000
COMMITTEE ROOMS AND SPECIAL AREAS TEMP,HUMIDITY,PRESS,EP		- 30,000
ELECTRIC METERING		- 8,000
LABOR		- 114,000
TOTAL SENSORS (HVAC)		- 448,000
.... BUDGET(SENSORS)		$ 450,000
10 F.I.D.	@ 12,500	- 125,000
DIGITAL COMM. SYSTEM INTERFACE		- 2,000
BLDG. COMPUTER UNIT		- 14,500
CABLE		- 20,000
TOTAL INTELLIGENCE (ELECTRONICS)		- 161,500
GRAND TOTAL FOR HART S.O.B. EMCS		609,500
BUDGET(INTELLIGENCE &SENSORS)		$610,000

ESTIMATE OF RUSSELL EMCS BUDGET IS BASED ON THE FOLLOWING EQUIPMENT:

46 AIR HANDLING UNITS (14 POINTS PER UNIT)

SUPPLY AND RETURN AIR TEMPERATURES @200	400
CHILLED WATER TEMPERATURES @200	400
CHILLED WATER FLOW OR DX UNIT ALARM POINTS	1,600
MISCELLANEOUS TEMPERATURES	800
START/STOP CONTROL WITH PROOF BY CT	200
MISCELLANEOUS ALARMS	400
HUMIDITY MONITORING	1,000
SPRAY PUMP START/STOP WITH PROOF BY CT	200
TOTAL PER UNIT	5,000
46 UNITS X 5,000	-230,000

17 EXHAUST FANS START/STOP @200	- 3,400
35 MISC PUMPS START/STOP, ALARMS @300	- 10,500
19 CIRCULATING PUMPS START/STOP, ALARMS @300	- 5,700
5 ANTIFREEZE PUMPS START/STOP, TEMPERATURE @500	- 35,300
6 AIR COMPRESSORS(PRESSURE,ALARM,EP) @600	- 3,600
12 A/C COMPRESSORS (PRESSURE, TEMPERATURE,ALARMS) @800	- 9,600
740 POINTS SUBTOTAL	- 35,300

ELECTRIC METERING	- 8,000
SPECIALIZED LABOR	- 70,000
TOTAL	-343,300
................................BUDGET	$345,000

ESTIMATE OF DIRKSEN EMCS BUDGET IS BASED ON THE FOLLOWING EQUIPMENT:

51 AIR HANDLING UNITS (11 POINTS PER UNIT)

SUPPLY AND RETURN AIR TEMPERATURES @200	400
CHILLED WATER TEMPERATURES @200	400
DX UNIT ALARM POINTS	600
MISCELLANEOUS TEMPERATURES	800
DX START/STOP CONTROL WITH PROOF BY CT	200
MISCELLANEOUS ALARM POINTS	100
TOTAL PER UNIT	2,500

51 UNITS X 2500	-127,500

36 EXHAUST FANS START/STOP @200	- 7,200
6 CIRCULATING PUMPS START/STOP, ALARMS @300	- 1,800
8 SPACE HEATERS STOP/START @100	- 800
4 AIR COMPRESSORS(PRESSURE,ALARM,EP) @600	- 2,400
DOMESTIC HOT WT (PRESSURE,TEMPERATURE, ALARMS) @800	- 3,000

631 POINTS	SUBTOTAL	- 15,200

ELECTRIC METERING		- 8,000
SPECIALIZED LABOR		- 65,000
	TOTAL	-210,000
..........................BUDGET		$210,000

BUDGET REDUCTION

Question: You provided the House Appropriations Legislative Branch Subcommittee with potential budget reductions of 5% and 10%. Provide the same recommendations, this time including Senate items.

Response: The total appropriation request for fiscal year 1986 is $121,768,000. A 5% reduction would reflect $6,998,400 in budget cuts, and a 10% reduction reflect $12,176,800 in budget cuts.

In response to the House Appropriations Committee request for recommendations, a total of $14,750,000 was identified for possible deferral, or a 12% reduction overall.

If our total FY 1986 request was reduced at 5%, 10%, 12% and 22% (to maintain the same level as FY 1985, including the pending pay supplemental request) reductions would be as follows:

Percent	Reduction
5%	$ 6,088,400
10%	12,176,800
12%	14,750,000
22%	27,356,000

By reducing our $18.5 million request for Longworth Building Electrical and Fire Protection Improvements by $14,750,000, we can reduce our total request by 12%. In order to reach the 22% reduction, an additional $4,097,000 of Senate non-recurring items in the Continuing and Initiating Other Programs category would have to be cut in addition to a $23,259,150 reduction for House and joint items in the same program.

QUESTIONS SUBMITTED BY SENATOR DALE BUMPERS

HART SENATE OFFICE BUILDING

Question: Over the years, I have heard criticism of the design of the Hart Senate Office Building. How was the design of the building decided upon? Who, besides the Architect, was involved in the decision, and to what degree? Were public hearings held? Could you give me about a three minute recap of that decision process.

Response: The initial design of the Hart Senate Office Building and the program, or facilities to be provided in the building, were approved by the Senate Office Building Commission and the Senate Committee on Environment and Public Works in 1974, following numerous prior Committee meeting and following public hearings in which a number of citizens, including several architectural critics, testified favorably.

The criteria established for the design of the Hart Senate Office Building expressed the intent to create an appearance that would be dignified but not opulent; have classical proportions and scale; be comtemporary, if possible; preserve the Belmont House; and finally, result in a quiet design that would be, as all buildings on the Hill are intended to be, subservient to the prominence of the Capitol itself.

The criteria also required a building of permanence and durability, economical in cost over the long term, flexible in its capacity for future change, and efficient in its use of energy, as well as an interior environment that contributes to the health, morale, efficiency and productivity of those employed therein.

The finished building has 50 offices for Senators and their staffs, as well as office space for committee and subcommittee staffs. The central hearing room, unlike existing committee rooms, is equipped with radio, TV and writing press facilities. Also provided is support space for police, parking, media facilities, word processing equipment, mailrooms and maintenance shops. The Capitol subway has been extended to the Hart Building.

Building materials were chosen after careful analysis to meet the design criteria mentioned above. Use of marble and bronze provide compatibility with existing buildings, offer durability and lower maintenance costs.

Question: I notice there are new trees in the enclosed area of the Hart Building. What else is planned and how much will it cost the taxpayers?

Response: A sculpture, "Mountain and Clouds," which has been donated to the United States Senate, will be installed in the Hart Atrium. The minor cost to the government for support of the donated installation process will be absorbed from the unallotted contingency funds for the construction of the Hart Building.

WEST FRONT

Question: What is the budget, status, and completion date for the work on the West Front of the Capitol?

Response: The following responds to the question:

GENERAL CONSTRUCTION

Stone Work

There are five items of work under this category:

1. Removal of existing damaged sandstone below the cornice which is 70% complete.
2. Dismantling the entabulature and balustrade above the cornice, which is 10% complete.
3. Installation of new replacement limestone, which has just started.
4. Dismantling of the portico stonework began during May.
5. Replacement of the wood windows which has not yet begun.

The contractor is proceeding well on the remaining stone removal. Delivery of replacement limestone began in late April, and new stones will be set as they are accepted.

Tie Work

There are five items of work under this category:

1. Corner ties, which are 50% installed,
2. Wall ties, which are 35% installed,
3. Pilaster ties, which are 57% installed,
4. Arch ties, which are 25% installed,
5. Foundation ties, which are 45% installed.

As of the end of April 1985, 390 ties under all categories have been completely installed, and 115 are in varying stages of being completed.

OTHER WORK

The painting of the stone will take place when all stonework is completed. The final item, birdproofing, is being evaluated for determination of the most effective method to accomplish this.

SCHEDULED COMPLETION

The contract for stonework and installation of ties is on schedule for a completion date of February 1988. The painting and birdproofing, which will follow, are anticipated to be completed by November 1988.

PROJECT BUDGET

The following table indicates the status of the project budget as of May 15, 1985:

Activity	Allotment	Obligation	Balance
Administrative........	$ 3,743,400	$ 1,454,847	$ 2,288,553
A/E Services..........	2,974,510	1,049,725	1,924,785
Paint Removal.........	367,510	326,250	41,260
General Construction..	36,595,060	14,907,338	21,687,722
Painting..............	1,032,010	.....	1,032,010
Birdproofing..........	169,030	.....	169,030
Overhead Items Prior to Construction.....	35,500	12,881	22,619
Miscellaneous Construction........	205,580	91,535	114,045
Unallotted Contingency	3,877,400	.....	3,877,400
Total............	$49,000,000	$17,842,576	$31,157,424

RUSSELL SENATE OFFICE BUILDING

Question: What can be done to keep the Russell and other Senate Office Buildings cleaner, neater, better painted? Some of my colleagues have approached me from time to time on this matter.

Response: Though the corridors of the Russell Senate Office Building were repainted only two and one-half years ago, the moves of a number of suites this year have caused some marring of the walls. The walls will be repainted as quickly as manpower and funds will permit. In the meantime, we will redouble our efforts to remove discarded furniture and files occasioned by moves and to improve cleaning efforts.

IMMIGRATION BUILDING

Question: What is the budget, status, and completion date of the renovation going on at the so-called "Immigration Building"?

What are the plans for the other buildings in that block, such as the former Plaza Hotel and the Monocle Restaurant?

Response: The final design, including specifications and working drawings, is under preparation at this time. Due to several program changes requested by the new Chief of the Capitol Police, some minor revisions have been made, causing a slight delay in the design effort. The design is projected to be completed within four months, with construction beginning afterwards. Construction completion will require twelve to fourteen months, and the building should be ready for occupancy in the fall of 1986.

Funds have been requested in the fiscal year 1986 budget to provide for furniture and furnishings for the building. These monies are required at this time to provide adequate lead time to procure the necessary items for the Capitol Police before they move into the renovated building.

The Plaza Hotel, currently occupied by the Capitol Police, will have to remain in use until the renovation of the Immigration Building is completed, which is scheduled for the fall of 1986 and into which the Police will be moved. After that, the Plaza Hotel can be demolished. The demolition funds were appropriated on a regular basis in fiscal year 1985. Because the balance available for the Plaza Hotel would lapse at the end of this fiscal year, before the demolition can take place, it has been requested to continue the unobligated balance at the end of the year on a "No Year" basis. The paving work includes plans for lighting. Landscaping will be performed with in-house forces.

No plans have been made to change the status of The Monocle.

ELEVATOR OPERATORS

Question: What is the status of efforts to scale back on the number of elevator operators throughout the Capitol Complex?

Response: At the present time there are 49 elevator operator positions on the Architect's payroll. There are 35 assigned to the Capitol Building, 15 on the House side and 20 on the Senate side, and 14 assigned to the House Office Buildings. The rate of compensation is $13,064 per annum each, or a total budget of $640,100 annually.

Since Fiscal Year 1977, there has been a net decrease of 103 elevator operator positions, which equates to a net savings of approximately $1,345,600 at current annual salaries.

Over the past several years, the Committees on Appropriations have reduced the number of authorized elevator operator positions to a minimum level necessary to assure the ability of Members to reach the floor expeditiously during roll calls.

RESTORATION OF THE LIBRARY OF CONGRESS BUILDING

Question: What is the budget, status, and completion date of the renovation of the two older Library of Congress buildings?

Response: There are four milestones for this project being used to maintain progress.

Milestone No.1, which is Phase I Interim Occupancy work, began on November 19, 1984, on the Fourth Floor of the John Adams Building. Interim occupancy work, which is currently ongoing in both buildings, involves preparing certain areas of the buildings for an interim occupancy by the LOC staff which ultimately releases the Phase I area for renovation and restoration work. The scope of work includes demolition, painting, minor architectural changes, and the installation of electric and data cable for the said interim occupancy.

The latest revision to the Summary Schedule indicates that this work will be completed in August of 1985 or approximately two (2) months after the originally predicted completion date. The slight additional time needed is a result of minor Library originated changes to the scope of work to facilitate interim occupancy. These minor changes will not significantly affect the total cost of the interim occupancy work or the projected start of the Phase I contracts.

Milestone No.2 will be reached at the completion of Phase I construction in October of 1987. This is the original projection for the completion of Milestone No.2 work and has not been affected by the additional work required under Milestone No.1. The Phase I construction is scheduled to begin in October of this year with the award of separate contracts for the architectural, mechanical, and electrical work in the Phase I portion of both buildings. We are working with our consultants, CRS and ACM/A, to develop the contract packages and project manuals for these initial contracts. Also, we have identified certain preliminary work which must be accomplished to reduce cost and permit early start of Phase I construction. It is our intention to utilize our in-house capacity to erect dust/security partitions and to perform certain preliminary demolition work for the Phase I spaces. This demolition work will begin in May of this year and be completed by October.

Milestones No.3 and No.4 are related to the Phase II portion of the project and will not occur until early 1988. This is the original projected start date and remains unchanged. Final completion remains scheduled for October, 1990.

FUNDING SUMMARY

The Alterations to the Fourth Floor of the John Adams Building will complete all scheduled restoration work for that area with the exception of HVAC work. This floor will be completed first because it forms the basis for a complex series of moves which ultimately releases other areas of both buildings for interim occupancy work. The interim occupancy work is necessary to accommodate the staff which will be relocated from the Phase I construction area so that construction can proceed. To date, the work on the Library project has been limited to the Fourth Floor of the Adams Building and some interim occupancy work in the Thomas Jefferson Building. In addition, to these expenses, various administrative costs have been incurred. The following is an updated status of the funding for these activities:

Description	Allotted Amount	Obligated Amount	Funds Remaining
Alterations to 4th Floor	$1,077,000	$454,000	$ 623,000
Interim Occupancy - TJB	$ 215,000	$119,000	$ 96,000
Administrative Expenses	$3,264,000	$121,245	$3,142,755

This project is on schedule and within budget.

ADDITIONAL FURNITURE

Question: What is the background of the request of $2.4 million for furniture and furnishings for the Hart and Immigration buildings?

Response: The request of $1.5 million for furniture and furnishings for the Hart Building is part of the ongoing program to provide appropriate office equipment for the building. The interior design of the building is based on a flexible arrangement of movable partitions and workstations.

The $880,000 requested for furniture and furnishings for the Immigration Building is to provide office and other equipment for the U. S. Capitol Police. The request is based on furnishing approximately 160 offices, roll call rooms, locker rooms and other areas.

CAPITOL ROTUNDA

Question: Please explain the $800,000 request for conservation work in the Capitol Rotunda.

Response: The frescoed canopy of the dome, "The Apotheosis of Washington," was painted by Brumidi in the 1860's and was last conserved by the late Allyn Cox in 1959, nearly 26 years ago. The fresco has accumulated dirt and grime and the darkened streaks at the border of each day's original fresco work have darkened and become more pronounced. The requested appropriation allows for scaffolding from the Rotunda floor. In addition, Brumidi's frieze, the "grisaille" mural depicting American history surrounding the Rotunda below the first balcony, has not been cleaned since 1954, and has incurred some water stains due to leakage from the dome. It is recommended that these frescoes be cleaned and conserved at intervals of about 25 years.

REPAINTING OF ART WORK

Question: From time to time, I notice workers involved in the very intricate work of restoring the paintings on the walls of the Capitol. At other times, I notice the same workers repainting the basement walls with paint rollers. Is this an efficient use of the time of these quality craftsmen?

Response: There are two painter-decorators on our Capitol Buildings workforce who are employed to perform such painting tasks as are required. They are assisted by two regular painters and a painter-helper, all on the authorized workforce. From time to time, this workforce is augmented by temporary painters when workload demands exceed our force's ability to meet them.

By employing our painter-decorators from time to time on walls and such, we are able to avoid having to hire additional union-hall painters to meet the workload demand. It is more efficient to have all of our workers actively engaged in contributing to the workload than hiring temporaries to fill a gap. As mentioned before, when the overall workload demand is greater that our ability to meet it, we do hire additional labor.

TREES IN HART ATRIUM

Senator D'AMATO. I would like you to report to me on what occasioned the incredible, colossal delay and the trouble and problems that my office has had with respect to the air conditioning and computers being down. There is no reason for that kind of thing to be taking place.

Mr. WHITE. We will see that that is——

Senator D'AMATO. Let me ask you something. What about these trees in the Hart Building? How much time do you spend to keep them alive?

Mr. WHITE. I can't answer that offhand. I think we are simply watering them.

Senator D'AMATO. Are they going to stay alive?

Mr. WHITE. Yes, we think they will. One of the problems that occurred, as you know, is that those trees were a gift from the Florida Tree Growers Association or a name similar to that, the Florida Growers Association, and they were bound up like Christmas trees and shipped up here. There was a major trauma to those trees.

A lot of the leaves fell off to begin with. They assure us that with proper care, which is watering and fertilization, that they will survive.

Senator D'AMATO. Do you believe that?

Mr. WHITE. We are trying.

Senator D'AMATO. What if they can't survive inside? Can they survive outside?

Mr. WHITE. Oh, yes. I believe yes, of course. I don't think they would survive outside in the winter in this climate.

Senator D'AMATO. No? All right. I wish you good luck. It seems to me every time I come in there you have six or seven people working on the trees. I give them a shake at night. [Laughter.]

The leaves fall off. There is nothing wrong with doing that to them, is there?

Mr. WHITE. You are welcome to shake the trees.

Mr. PINCUS. The people that donated the trees said they will be leafing about 8 to 10 weeks, which is normal. Every day there are fewer and fewer leaves falling. So it is leveling off.

Senator D'AMATO. I will tell you tonight.

Mr. PINCUS. We will have a sign, "Please don't touch the trees."

Senator D'AMATO. No one told me not to do that. I won't shake them.

Mr. PINCUS. We have people that come in and literally shake the trees.

Senator D'AMATO. I don't do it like that. Two hands?

Mr. PINCUS. Yes.

Senator D'AMATO. I just give it a one-hand shake. [Laughter.]

We ought to put in a little sign, "Don't shake the trees."

SUBCOMMITTEE RECESS

We stand in recess until Tuesday, May 21 at 2 o'clock. It is always an interesting hearing. We thank you.

[Whereupon, at 11:45 a.m., Thursday, May 16, the subcommittee was recessed to reconvene at 2 p.m., May 21.]

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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1986

TUESDAY, MAY 21, 1985

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:09 p.m. in room S-128, the Capitol, Hon. Alfonse M. D'Amato (chairman) presiding.

Present: Senator D'Amato.

CONGRESSIONAL BUDGET OFFICE

STATEMENT OF RUDOLPH G. PENNER, DIRECTOR

PREPARED STATEMENT

Senator D'AMATO. The committee will come to order.

This afternoon we have hearings on the President's request of the legislative branch for fiscal year 1986. We will be receiving testimony from the Congressional Budget Office, General Accounting Office, the Government Printing Office, and Office of Technology Assessment.

As our witnesses know, the President's budget calls for a 10-percent reduction in all legislative branch accounts. The Senate-passed budget resolution contemplates a similar reduction. This committee is going to exercise some very close scrutiny on the support agencies' budgets this year, and we are doing everthing we can to see to it that your request achieves that goal. We have reached a time when there may be some things which are very nice to have but which we simply can no longer afford.

We may have to not only reduce but to eliminate certain activities.

Dr. Penner, I saw you this morning on the Joint Economic Committee. It is good to see you again. We will be delighted, first of all, to make your statement a part of our record and ask you to summarize it.

[The statement follows:]

STATEMENT OF RUDOLPH G. PENNER

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 1986 budget request for the Congressional Budget Office (CBO). I have been Director of the CBO for 18 months now and have had an opportunity to scrutinize the agency's budgetary needs. Accordingly, the fiscal year 1986 request we submit today has been carefully planned.

As you know, CBO is a nonpartisan analytic organization that furnishes the Congress with information and analyses on issues relating to the U. S. economy, the federal budget, and federal programs. The CBO does not make policy recommendations, but presents the Congress with options and the possible budgetary and economic consequences of those options.

BUDGET REQUEST

For fiscal year 1986, CBO is requesting $18,455,000, an increase of 4.5 percent (or $792,000) over our anticipated operating level for fiscal year 1985 of $17,663,000. 1/ This increase differs little from the rate of inflation CBO projects for 1985, making this a current services budget. We are requesting no additional staff positions for fiscal year 1986, but will maintain staffing at the current authorized level of 222.

The increase of $792,000 comprises the following items:

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1. The fiscal year 1985 appropriation for CBO is $17,418,000. We have submitted a supplemental request for $245,000. This request represents the January 1, 1985 cost-of-living adjustment (COLA).

- o $291,000 for personnel costs;
- o $351,000 for increased costs, upgrading and maintenance, and new work relating to our automated data processing (ADP operations and systems);
- o $150,000 for other administrative office services costs.

Mr. Chairman, I would like to reiterate, this is a current services budget, and in preparing our request we have maintained a most prudent funding approach. I will discuss these areas in more detail later. First, however, I would like to review for the Committee the principal services CBO provided to the Congress in the past fiscal year.

CURRENT CBO SERVICES TO THE CONGRESS

The Congressional Budget Act of 1974, as amended, mandates that CBO prepare certain reports on a regular basis; and other studies are prepared in response to Congressional requests. Specifically, CBO carries out the following tasks: maintains current tabulations of Congressional revenue and spending actions (scorekeeping); prepares five-year cost estimates for bills reported by authorizing committees; prepares outlay estimates for bills providing new budget authority; supplies tax expenditure and revenue information; annually reports projections of new budget authority, outlays, and revenues for the coming five fiscal years; estimates the cost to state and local governments of carrying out or complying with federal legislation; prepares periodic forecasts of economic trends and alternative fiscal policies; and analyzes issues that affect the federal budget.

Scorekeeping

CBO provides the Congress with up-to-date tabulations of Congressional actions on revenue and spending bills. These tabulations are used, particularly by the Budget and Appropriations Committees, to measure the status of Congressional budget actions relative to the targets or limits specified in the concurrent resolutions on the budget.

The bulk of CBO scorekeeping activities involves spending actions. The spending side of the federal budget is complex, consisting of more than 1,000 separate accounts. Furthermore, the Congress acts each year on a large number of individual legislative bills that affect spending, including 13 appropriation bills. CBO's scorekeeping system keeps track of Congressional action on all these bills from the time they are reported from committee to the time when they are enacted into law. As a result, the CBO scorekeeping data base for budget authority and outlays is very large, and keeping it current represents a major effort.

CBO scorekeeping estimates are derived from its analysis of the President's budget, baseline budget projections, and bill cost estimates, as well as from the economic assumptions used for the concurrent budget resolution. CBO reviews its scorekeeping estimates on a comprehensive basis at least twice a year to incorporate new information provided by the Office of Management and Budget (OMB) and other federal agencies, revised economic assumptions that may be adopted by the Budget Committees, and other relevant data. Any reestimates resulting from these reviews are reviewed by the staffs of the Budget and Appropriations Committees before they are adopted as official scorekeeping estimates.

Specially designed computer scorekeeping reports are provided weekly to the Budget and Appropriations Committees. Frequent letters are also sent to the Chairmen of the two Budget Committees to advise them on current budgetary levels. Advisory letters also have been sent on request to the Chairman of the House Appropriations Committee on the budgetary impact of individual appropriation actions, such as a supplemental appropriation bill or a continuing resolution.

The CBO automated scorekeeping data base is used to provide special computer reports to the Appropriations Committees for use in preparing their March 15 reports and in dividing budget resolution allocations among subcommittees. In addition, the data base is used by the Budget Committees to formulate budget resolutions.

The CBO also prepares a weekly automated report on the legislative status of selected entitlement and other bills that would directly affect budgetary requirements. Similar reports provide information on the legislative status of bills affecting credit activities, bills providing required authorizations for requested appropriations, and proposed revisions of the Budget Act. Copies of these reports are provided to the staffs of the Appropriations and Budget Committees of both Houses. These automated reports originate from a request by the House Appropriations Committee.

In addition, CBO has developed a scorekeeping capability for tracking Congressional action on the federal credit budget. This separate, automated data system is used primarily by the two Budget Committees.

Baseline Budget Projections

Each year CBO prepares a new set of baseline budget projections. The projections take as their starting point the budgetary decisions made by the Congress through its most recently completed session and show what would happen to the budget if no new policy decisions were made during the next five fiscal years. These projections do not represent a forecast of future budgets, because the Congress undoubtedly will make numerous new policy decisions in response to changing national needs and economic circumstances. They do provide, however, a useful baseline or benchmark against which proposed changes in taxes or spending policies may be measured and assessed. A longer-term framework is helpful in making annual budget choices. These annual budget decisions sometimes have little impact on the budget in the short run, although they can significantly influence relative budget priorities over a period of several years. Because the annual budget resolutions now include a credit budget component, the Budget Committees have asked CBO to develop baseline budget projections for federal credit activities.

CBO's budget projections capability has enabled the Congress to move more and more in the direction of multiyear budgeting. For example, for several years the Senate Budget Committee has used the CBO baseline budget projections as a starting point for formulating its recommendations for the first budget resolution. The CBO baseline spending projections are distributed to the Senate Appropriations Committee and the authorizing committees as background information for preparing their March 15 reports to the Budget Committee. The Senate Budget Committee then uses the CBO baseline projections in its budget resolution markup materials to assess how spending and revenues should be altered in the future to meet fiscal policy goals and national needs. The House Budget Committee also uses the CBO budget projections to provide background information to House committees for the preparation of March 15 reports and to show the outyear effects of Budget Committee recommendations for the first budget resolution. Since 1982, the House Budget Committee has also used the baseline projections as a basis for formulating the first budget resolution. Both Budget Committees include three-year targets in their recommended budget resolutions.

The CBO budget projections took on added importance in the years from 1981 to 1984 when they served as the baseline for computing the spending reductions to be achieved in the budget reconciliation process. Moreover, CBO has made similar use of baseline budget projections in its bill cost estimates for calculating the costs or savings that would result from legislative proposals to change existing law. This is particularly important for calculating the budgetary effects of changes in various entitlement programs.

The growing use of budget projections requires CBO to maintain a large multiyear data base on a year-round basis. CBO now provides both Budget Committees with numerous sets of five-year projections of revenues and spending throughout the year, usually in the form of computer tabulations. In addition, CBO publishes annually a five-year budget projections report, usually at the beginning of each session of Congress. CBO also publishes a separate report presenting five-year projections of tax expenditures.

Analysis of the President's Budget

The Congressional Budget Office carefully reviews the budget estimates that the Administration submits to the Congress. These reviews evaluate the Administration's budget estimates and, where necessary and appropriate, reestimate the Administration's budget estimates using different economic assumptions and CBO's estimating techniques and methods.

The economic assumptions used by the Budget Committees to formulate the annual budget resolutions typically are different from the assumptions the Administration uses in preparing the President's budget. A different set of economic assumptions may significantly alter the budgetary impact of the President's proposals. Both Budget Committees periodically ask CBO to reestimate the President's budget using different economic assumptions.

Over the past several years, CBO has developed an independent capability for estimating the impact on budget outlays of various budget proposals. To keep these techniques and methods as accurate as possible, CBO staff carefully monitor both actual spending trends as reported monthly by the Treasury and various program data series that show trends in the use of federal benefits and services, the growth in beneficiary populations, and other factors affecting federal spending. The CBO uses these independent methods to reestimate the effect of the President's budgetary proposals. In recent years, these so-called "technical reestimates" have been significant.

In addition to reviewing carefully the Administration's budget estimates, each year CBO prepares an overview analysis of the President's budgetary proposals. In 1984, this publication was requested by the Senate Committee on Appropriations to assist Members and staff in preparing for overview hearings on the Administration's annual budget. The report discusses the economic outlook for the next several years and the possible economic impact of the President's proposals. It also presents CBO's preliminary reestimates of the budget impact of these proposals based on alternative economic assumptions and on CBO's estimating techniques and methods. Since 1980, at the request of the two Budget Committees, CBO has also prepared a report providing an overview analysis of the President's proposed budget for federal credit activities.

Bill Cost Estimates

The CBO prepares cost estimates for virtually every public bill reported by legislative committees in the House or Senate that would have a budget impact. CBO also prepares numerous cost estimates at committee request for use in earlier stages of the legislative process. CBO's bill cost estimates have become an integral part of the legislative process. Committees refer to them increasingly at every stage of bill drafting; indeed they are having an impact on the final outcome of legislation.

The number of such bill cost estimates prepared each year varies, depending on the amount of legislation being considered and reported by legislative committees. During 1984, the number of individual cost estimates was 687, as shown in Table 1. A large part of CBO's bill costing activity in 1984 was for the House and Senate Committees receiving reconciliation instructions in the first budget resolution for 1985.

When combined with corresponding work on reconciliation proposals in 1981-1984, these efforts are equivalent to several hundred bill cost estimates. Because CBO's bill cost estimate tracking system has treated work on all the reconciliation proposals as if they were a few large bills, this workload is not reflected fully in the figures shown in Table 1 for 1981-1984.

TABLE 1. BILL COST ESTIMATES (FORMAL AND INFORMAL)

Year	1978	1979	1980	1981	1982	1983	1984
Federal Estimates	995	830	861	553	747	676	687
State and Local Estimates	N.A.	N.A.	N.A.	N.A.	4	573	641

In addition to cost estimates for bills reported by legislative committees, the CBO also provides the Appropriations Committees with outlay estimates for all appropriation bills. These outlay estimates are prepared for each appropriation account and are transmitted to the staffs of the committees largely in the form of computer tabulations. For example, many reports display both budget authority and outlay data in the Comparative Statement of Budget Authority (CSBA) formats used by the Appropriations Committees.

State and Local Government Cost Estimates

The State and Local Government Cost Estimate Act (Public Law 97-108) enacted in late 1981 expanded CBO's bill costing responsibilities by requiring estimates of the cost that would be incurred by state and local governments in carrying out or complying with legislation that is reported in the House or the Senate.

CBO's policy is to review as many bills as possible to identify their potential impacts on state and local government costs. These cost estimates may be limited to bills that, in the judgment of CBO, are likely to result in an aggregate annual cost to state and local governments of at least $200 million or to have exceptional fiscal consequences for a geographic region or particular level of government. During 1984, CBO prepared state and local cost estimates for 641 bills. Of these bills, CBO estimated that 57 had some potential effect on the budgets of state or local governments and 584 had none.

Two examples of CBO analyses of state and local cost impacts are:

- Cost estimates for H.R. 1510, the Immigration Reform and Control Act of 1983 which makes some major revisions and reforms to the Immigration and Naturalization Act. CBO's analyses indicated that the provisions of the bill legalizing certain unauthorized aliens currently residing in the United States could have sizable effects on state and local government budgets. Additional state and local expenditures were estimated at $281 million for fiscal year 1988.
- Cost estimates of the Hazardous Waste Control and Enforcement Act of 1983, which amends the Solid Waste Disposal Act. CBO estimated that the amendments would result in state expenditures of $30 million from 1984 to 1988, but would also allow state clean-up action at state-owned sites sooner and at a lower cost to states than would otherwise have occurred.

Economic Forecasts

Each fiscal year, CBO provides the Congress with two economic forecast reports. They are issued to coincide with Congressional consideration of the concurrent resolutions on the budget.

CBC does not maintain its own macroeconomic model of the economy. Instead, it uses the major commercially available econometric models (Data Resources, Inc., Wharton Associates, Chase Econometrics, Townsend-Greenspan, and Ray Fair Economic Model). It also relies on the advice of a distinguished panel of advisers representing a wide spectrum of economic views. The panel is supplemented from time to time with guests possessing expertise in particular areas of interest. Appendix A to this statement lists the current members of the panel.

The reports issued in February and August of 1984 focused on recent economic developments, discussed fiscal and monetary policy, forecast short-term economic trends, and detailed the federal budget outlook under these economic assumptions.

Tax Analysis

This year for the first time, CBO provided to the Budget Committees a set of standardized tables showing considerable background detail on CBO's baseline revenues and estimates of recent tax legislation. The CBO received favorable comments about the usefulness of the tables from the Budget Committee staff members and will provide these tables each time CBO presents a new economic and budget baseline forecast.

CBO also provides several sets of five-year baseline revenue estimates based on alternative economic forecasts developed by the staffs of both budget committees. Most of these are done to aid the staffs in their preparation of the budget resolution.

Revenue scorekeeping reports, with bill-by-bill detail, are sent biweekly, or as needed, to the staffs of the Ways and Means, Finance, and the Budget Committees. The reports provide five-year revenue effect estimates of each tax bill in the legislative process, and compare the cumulative revenue effects of enacted legislation with the targets set in the budget resolution. The revenue estimates shown in the reports are drawn from CBO cost estimate letters and are furnished to the tax-writing committees when each tax bill is reported.

At the request of both Budget Committees, as well as some other Members of Congress, the CBO staff provided estimates of the revenue effects of many alternative deficit reduction plans. Some of these estimates were done during the October-November 1983 period when the tax-writing committees were attempting to respond to the Budget Committees' reconciliation instructions on the fiscal 1984 budget resolution. Many of the estimates of deficit reduction plans were done in support of the effort to pass a budget resolution for fiscal year 1985.

The CBO has prepared and continues to maintain a detailed provision-by-provision comparison table of recent major reform proposals. The table includes current-law status by major provision, including the relevant section of the tax code, and the alternative treatment under the Treasury proposal, the Bradley-Gephardt, Kemp-Kasten, Stark, and Roth-Moore proposals. Several other proposals, such as the Brookings cash-flow tax and the Heftel proposals, can also be displayed in the table. The core staffs of both Budget Committees continue to find these very useful references. CBO periodically supplies updates.

CBO also supplied information on the use of tax-exempt industrial revenue bonds and mortgage bonds to both tax-writing committees and to individual Members of Congress throughout 1983 and 1984, up to the passage of the Deficit Reduction Act. This included analyses--generally in memorandum form--of the potential effects of bills drafted in the House and the Senate on the volume of tax-exempt bonds and on federal revenues. In addition, CBO provided the House Budget Committee with information on the effects on state and local revenues of the tax-exempt bond and the leasing provisions of the Deficit Reduction Act.

Program Analysis

Over the years CBO has responded to requests for analyses of key program issues from almost every committee of both Houses of Congress.

In fiscal year 1984, CBO completed 54 such reports. The 54 reports were for 18 Congressional committees--9 of the House, 8 of the Senate, and 1 joint Congressional committee. Two reports were done at the request of the Senate Minority Leader and one report was done for the Environmental and Energy Study Conference. Appendix B of this statement shows the distribution of reports requested by House and Senate committees in fiscal year 1984.

The subject areas of these reports have typically reflected the major budgetary issues before the Congress and the nation. Fiscal year 1984 proved no exception in that regard. Let me cite some examples of important CBO reports completed in fiscal year 1984.

One of the major debates currently under way is over the effects of foreign imports on U.S. industries and the U.S. economy. CBO analyzed what the overall effects would be of granting one industry sought-after import restriction relief in its study, The Effects of Import Quotas on the Steel Industry. The report was used by the Subcommittee on Trade of the

House Ways and Means Committee in its consideration of H.R. 5081 and S. 2380--two bills that would impose quotas on steel imports. It was widely cited by government, academia, and the media, and was the only source of independent estimates of the prospective quota's effects. In addition to this report, CBO testified on the subject, and is continuing to provide the Committee with follow-up analysis as requested.

Another important and recited issue is whether or not the United States needs a general industrial policy. The Industrial Policy Debate, a study published by CBO for the Office of the Senate Minority Leader, provides the background for understanding the current debate, the economic changes that precipitated it, and alternative policy options.

In addition, several studies analyzed the federal role in supporting industrial development. Federal Support of U.S. Business, requested by the House Budget Committee, analyzed the magnitude of federal aid to business and projected its growth under current policies. The Committee has recently asked for an update, which is now under way. The study anticipated many of the issues in then Secretary Regan's tax reform proposal. The Federal Role in State Industrial Development Programs, requested by the House Banking, Finance and Urban Affairs Committee, provided an analysis of state programs aimed at stimulating local economic growth, the federal role in these state programs, and options for modifying federal support.

CBO also helped form the analytic basis for discussion of the 1985 farm bill in several papers it published on agriculture. Crop Price Support Programs: Options for Contemporary Agriculture reviewed the changing national farm sector and the way that federal programs mesh with current realities. This report has been used by the staff of the Agriculture and Budget Committees in both Houses as a basic reference work in preparing for the 1985 farm bill. The report has also been used widely by others, including agribusiness, universities, and agricultural groups. Two additional studies--Farm Revenue Insurance: An Alternative Risk Management Option for Crop Farms and Canada's Western Grain Stabilization Program: An Option for U.S. Farm Policy?--explored individual options in greater depth.

The CBO continues to do analyses of the costs and condition of infrastructure systems, an area of national concern. The financial condition of the Highway Trust Fund was the subject of three CBO testimonies--House Public Works and Transportation, Senate Environment and Public Works, and House Ways and Means Committees. Our analysis is being used by both public works committees and the Administration in their preparation for next year's highway bill.

The CBO work on infrastructure banks for the House Public Works Committee, though not yet published, has been of significant value to Committee staffs in developing proposals for public works financing. CBO has conducted several staff and member briefings and analyzed many prototypical banks at the request of interested committees.

Financing U.S. Airports in the 1980s, another CBO report published last year, will have its biggest impact on the next airport bill, probably in 1986.

In the areas of energy and the environment, CBO has adapted an analytic model to test the budgetary and economic effects of Congressional proposals to reduce "acid rain". These analyses, published in the

Congressional Record, are being used by the Senate Committee on Environment and Public Works and the House Budget Committee to assess the effects of alternative proposals.

Moreover, CBO has analyzed the economics of key programs in nuclear energy. In Uranium Enrichment: Investment Options for the Long Term, CBO prepared, for the House Science and Technology Committee, a comparative cost analysis of the candidate technologies to replace the current gaseous diffusion process. This work has been updated in a separate report to the House Energy and Commerce Committee. Similarly, CBO has published two analyses of the appropriate electricity fee that might be charged to electricity users to pay for DOE's radioactive waste disposal program. These analyses were used by the House Interior and Insular Affairs and Rules Committees.

A number of committees and Members continue to make extensive use of our analyses of national security issues. During 1984, CBO provided studies and testimony on national security issues at the request of the Senate and House Armed Services Committees, the Senate and House Appropriations Committees, and the Senate Foreign Relations Committee. Studies produced for these Committees were cited by the House Committee on Merchant Marine and Fisheries, the Senate Veterans' Affairs Committee, and in floor debates.

The preliminary results of the study, Equipping the Total Army and Pomcus Sets 5 and 6, done at the request of the Defense Subcommittee of the Senate Appropriations Committee, formed the basis for Senate questioning of the Army during procurement hearings in April. The final report was cited in both the House and Senate Defense Appropriations

Reports for fiscal year 1985 and was the basis for Congressional language that maintained 1984 restrictions on Army equipment. The report was also cited as the basis for directing the Army to reexamine the appropriate levels of equipment for its units.

With our unpublished report, Costs of the Administration's Strategic Defense Initiative, CBO provided the Congress with an analysis of one of the most controversial of the Administration's defense policy proposals. Requested by the Subcommittee on Arms Control, Oceans, International Operations, and Environment of the Senate Foreign Relations Committee, the summary was cited and introduced as part of the record. During the floor debate, Members of both the House and the Senate frequently referred to it as having provided invaluable information and useful analysis. It was used in framing authorization bill language requiring specific reporting by DoD on SDI, particularly with respect to the budget structure.

In the area of arms control, CBO prepared a comprehensive analysis of the effects of the Administration's arms control proposals entitled, An Analysis of Administration Strategic Arms Reduction and Modernization Proposals. The study was cited during floor debate in the Senate. Our continuing analyses of G.I. issues for the House Armed Services Committee contributed significantly to the modifications of the new G.I. Bill program passed last year. Estimates of costs and recruiting effects were also cited by the Senate Armed Services and Veterans' Affairs Committees. A staff working paper examining alternative versions of a G.I. Bill was used by House and Senate staff personnel during the authorization conference.

And finally, early last year, I testified before the House Armed Services Committee on the effects of defense spending on the economy.

The Committee quoted from this testimony and relied on it extensively in its discussion of this issue. The discussion was part of the report on the 1985 defense authorization bill.

Human resources and community development was another area in which CBO contributed greatly to Congressional debate in 1984. In April of last year, the CBO testified on the effects of the Targeted Jobs Tax Credit (TJTC) before a subcommittee of the Ways and Means Committee that was considering reauthorization of the program. The testimony was based on a study CBO had just completed at the request of Committee Chairman Rostenkowski, in which we analyzed the employment effects of the credit. Our study discussed several options for altering the TJTC, while noting that additional time might be useful to develop more definitive estimates of the current program's effectiveness. The Congress resolved the issue by reauthorizing the TJTC for one year, postponing consideration of further program alterations until 1985.

During much of 1984, CBO assisted staff of the Senate and House Banking Committees in developing eligibility criteria for cities under the recently enacted (rental) Housing Development Grant Program. Responding to requests to examine alternatives to a preliminary proposal by the Department of Housing and Urban Development, CBO staff prepared a series of options for judging which cities are in need of additional rental housing. These alternatives served as the basis for proposed regulations and helped to structure discussions between Congressional and Administration personnel leading to a resolution of the issue and to the timely funding of housing units under the program.

Continuing its extensive work on Medicare's reimbursement of hospitals, the CBO testified at hearings of the House Ways and Means Committee, describing how Medicare's reimbursements rise when investor-owned hospital chains purchase existing hospitals, and analyzing several options that could limit these increased costs. Following this testimony, the House Energy and Commerce Committee requested that the CBO analyze, and estimate savings from, similar options to limit increases in Medicaid's reimbursements to nursing homes for capital costs, such as depreciation, that occur when nursing homes are sold. Related work provided estimates of the cost of expanding Medicaid to cover two groups from families with incomes below the states' needs standards as established under the Aid to Families with Dependent Children program--children age five or less and pregnant women. This work served as the basis for two legislative changes that were enacted in the Deficit Reduction Act of 1984--restricting reimbursements for depreciation after hospitals and nursing homes are sold and gradually expanding eligibility for Medicaid.

Further, one of CBO's widely requested reports this year examined the impact that an aging veteran population will have on health care provided by the Veterans Administration. Veterans Administration Health Care: Planning for Future Years analyzes short- and long-range problems facing the Veterans Administration system, and discusses some cost-effective alternatives for meeting the demand for major Veterans Administration medical care in future years.

All divisions of CBO participated in writing Reducing the Deficit: Spending and Revenue Options. This report provides a menu of options for reducing the federal deficit. The CBO has issued this report each year since 1980 and the current edition will be completed in February 1985.

Other key issues addressed by CBO during fiscal year 1984 included federal support for research and development and innovation, military medical costs, military retirement, veterans' health care, budgetary treatment of federal credit assistance, the Supplemental Security Income program, the telephone industry since the breakup of AT&T, federal subsidies to the U.S. Postal Service, trends and policy choices in U.S. shipping and shipbuilding, reducing grades of the general schedule work force, and federal debt and interest costs.

Based on current committee requests, CBO expects to complete at least the same number of reports in fiscal year 1985. We further assume that our level of activity in fiscal year 1986 will be similar to that in previous fiscal years. CBO's program areas have remained remarkably stable in terms of staffing and funding since the inception of CBO. Through the years they have accounted for approximately one-third of CBO's staff positions and a little more than one-quarter of the funding.

A complete list of CBO reports requested during fiscal year 1984 has been included as part of our justification. Part I of the list shows the projects in progress. Part II lists the studies completed in fiscal year 1984. The list gives the CBO divisions responsible for the report, its title, a summary of its content, the requesting Congressional committee or statutory authority and, when applicable, the completion date.

In addition to our written reports, I or a member of the CBO staff have testified on 45 separate occassions during the last fiscal year before a variety of Congressional committees. Topics on which we have testified this past year range from the state of the budget and economy to the health of the highway trust fund; from the outlook for the domestic steel industry to the shape of the Hospital Insurance Trust Fund, and all the way to the Grace Commission's report.

ORGANIZATION OF THE CBO

From time to time, questions arise about the CBO's organizational structure, the functions of each unit, and the interrelationship among them. For management and administrative purposes, our staff is divided into seven divisions. While the functions of each division are somewhat unique, the work of each is highly dependent on that of the other, and I would like to take time today to share with you how this "crosswalk" works.

Three of our divisions--the Budget Analysis, Fiscal Analysis and Tax Analysis Divisions--support primarily the needs of the House and Senate Budget and Appropriations Committees for accessible, comprehensive and technical budget and economic information. The other four divisions--Natural Resources and Commerce, National Security, Human Resources and Community Development, and the General Government unit of the Office of Intergovernmental Relations--provide key support, often early in the legislative process, to the budget and authorizing committees in analyzing various programmatic and policy options and their associated costs. To perform these tasks, each unit must collaborate with the other.

For example, the economic assumptions developed by the Fiscal Analysis Division serve as the basis for our cost estimating, projections, and issue analysis. The budget numbers developed by Budget Analysis are often dependent on methodological studies done in the program divisions. Finally, all numbers developed in connection with analytical studies are reviewed by the cost analysts in the Budget Analysis Division. This crosswalk among our divisions is absolutely essential to our ability to provide accurate cost estimates and comprehensive analyses of alternative legislative strategies.

THE FISCAL YEAR 1986 REQUEST

As I previously indicated, the increment over the 1985 operating level reflects CBO's needs in three areas: automated data processing, personnel, and other support services.

Automated Data Processing

The funds for the ADP category support CBO's use of commercial timesharing services, government computers (mainly the House Information Systems), and microcomputers, as well as our development of systems. The fiscal year 1986 budget request for computer-related costs is $5,423,000--an increase of $338,000 over the anticipated fiscal year 1985 operating level.

We have been able to hold our requested increase to this level because we have taken a number of steps to check the rising costs of our essential computer work. Some of these steps are:

- Completed moving our large applications to a new data base management system that is more efficient than the previously used timesharing;

- Continued use of less expensive Congressional computer services;

- Expanded use of microcomputers in lieu of timesharing;

- Replaced leased terminal equipment with purchased microcomputers which are less expensive.

The major factors contributing to the requested $338,000 increase for ADP in fiscal year 1986 are:

- Price increases from our timesharing suppliers that will amount to $320,000; 2/

- Maintenance and upgrading of existing systems at a cost of $185,000;

- New work and expansion to allow direct committee access to selected data bases amounting to $98,000.

These increases are being offset in part by a $265,000 reduction in current costs as a result of the productivity gains outlined above.

Last year, at our request, this Committee agreed to make the sale or lease of property, supplies, or services to the Congresssional Budget Office subject to Section 903 of Public Law 98-63. Basically, this means that any special contract terms obtained by CBO for items furnished to us may not be used as the basis for modifications to vendors' GSA schedule contracts or other contracts with federal agencies. The Senate and the House of Representatives already operate subject to this provision.

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2. Figure assumes price increase by major supplier of no more than six percent, as per supplier's assurance.

As requested in Report 98-811, we now wish to report that no contracts offering rates below the GSA quoted prices have been negotiated to date. Our contract with our largest timesharing supplier is for three years and it has not come up for renewal. Since we have dramatically reduced our use of this supplier, the firm is unlikely to offer us rates more favorable than those offered to GSA.

In addition to our ADP request, there is a $13,000 increase for systems, data and model development. Example of such projects follows.

The CBO has found the use of microcomputers to be a very productive means of conducting data analysis. To date, all such work has been done in individual work stations. We believe that a comprehensive study of microcomputer networking will provide additional savings or gains in productivity. A network or clustering of work stations will enable staff to share common data and equipment such as excess storage devices and printers. Such networking would reduce the per work-station costs. The estimated cost of the project is $65,000.

Our program studies are based primarily on data developed and collected by executive agencies. Often, however, an extensive amount of work is needed to transform the data so that our staff can use it efficiently to address issues of interest to the Congress. Data from the Survey of Income and Program Participation (SIPP) is an example. While data from the survey are released every four months, they are linked with previously released data only once a year, a time lag that could hinder the efforts of Congressional staff. During fiscal year 1986, we propose to employ a contractor to link the new data with the old data as soon as it becomes available. The estimated cost of the project is $150,000.

And finally, the CBO has relied on a Defense Resources Model for producing budget options for defense. This model must be updated annually for changes in the base and different weapons systems. Estimated cost of this year's update is $45,000.

Personnel

Mr. Chairman, again I wish to underscore that this request does not seek additional staff positions. The increase of $291,000 for personnel is a 2.8 percent increase over planned spending in fiscal year 1985. This amount is for merit increases and staff benefits at the full staffing level.

As I have previously stated, the Congressional Budget Office will continue its policy of not seeking additional staff positions unless our workload is increased by Congressional action.

Other Support Services

The increase of $150,000--8.9 percent--in this category is attributable to higher-than-inflation rises in costs of postage, telephone service, and copier leases, printing, and repair and maintenance of microcomputers. Other items in this category include travel, training, and supplies and office equipment.

CONCLUSION

Mr. Chairman, as I stated at the opening of this justification, CBO's fiscal year 1986 budget request provides for a continuation of our basic, legislatively mandated services to the Congress. We are requesting an increase of 4.5 percent over our anticipated operating level for fiscal year 1985. No increase in staff is included in this request. It is, in effect, a current services budget.

BUDGET REQUEST

Mr. PENNER. Sir, I shall summarize my testimony very quickly. It is a pleasure to be here, Mr. Chairman, to present our budget request.

For fiscal year 1986, the Congressional Budget Office [CBO] is requesting $18,455 million, a 4.5-percent increase over our anticipated level, including supplemental, in fiscal year 1985. This is a current services budget with an increase approximately equal to what CBO projects will be the rate of inflation in 1986. We are requesting no additional staff positions. The increase of $792,000 comprises $291,000 for personnel costs, $351,000 for automated data processing operations and systems, and $150,000 for other administrative office service costs.

The Congressional Budget Act of 1974, as amended, mandates that CBO prepare certain reports on a regular basis and other studies are prepared in response to congressional requests.

SERVICES

Specifically, CBO carries out the following tasks: maintains current tabulations of congressional revenue and spending actions—scorekeeping; prepares 5-year cost estimates for bills reported by authorizing committees—some 687 were done last year—prepares outlay estimates for bills providing new budget authority; supplies tax expenditure and revenue information; annually reports projections of new budget authority, outlays and revenues for the coming 5 fiscal years; estimates the cost to State and local governments that might be implied by different sorts of legislation; and does periodic forecasts of economic trends and fiscal policy, and in general analyzes policy issues that affect the Federal budget.

ORGANIZATIONAL STRUCTURE

From time to time, questions arise about the CBO's organizational structure, the functions of each unit, and the interrelationship among them. For management and administrative purposes, our staff is divided into seven divisions. While the functions of each division are somewhat unique, the work of each is highly dependent on that of the other, and I would like to take time today to share with you how this crosswalk works.

Three of our divisions—the Budget Analysis, Fiscal Analysis, and Tax Analysis Divisions—support primarily the needs of the House and Senate Budget and Appropriations Committees for accessible, comprehensive, and technical budget and economic information. The other four divisions—Natural Resources and Commerce, National Security, Human Resources and Community Development, and the General Government unit of the Office of Intergovernmental Relations—provide key support, often early in the legislative process, to the budget and authorizing committees in analyzing various programmatic and policy options and their associated costs. To perform these tasks, each unit must collaborate with the other.

For example, the economic assumptions developed by the Fiscal Analysis Division serve as the basis for our cost estimating, projections, and issue analysis. The budget numbers developed by the Budget Analysis Division are often dependent on methodological studies done in the program divisions. Finally, all numbers developed in connection with analytical studies are reviewed by the cost analysts in the Budget Analysis Division. This crosswalk among our divisions is absolutely essential to our ability to provide accurate cost estimates and comprehensive analyses of alternative legislative strategies.

To go into a little more detail on the specific budget request, the main areas are automated data processing and personnel. In terms of automated data processing, the funds for this category support CBO's use of commercial time sharing services, Government computers, minicomputers, as well as our development of new systems.

COMPUTER-RELATED COSTS

The fiscal year 1986 budget request for computer-related costs is $5.4 million, an increase of $388,000 over the 1985 level. We have been able to hold our requested increase at this level because we've taken a number of steps to check the rising costs of our essential computer work.

The major factors contributing to the requested increase are price increases of $320,000 for our time sharing suppliers, $185,000 for upgrading of existing systems, and $98,000 for new work and expansion to allow direct committee access to selected data series.

These various increases are offset by $265,000 in reductions in current costs as a result of productivity gains. A large part of those productivity gains is related to the more extensive use of personal computers in our offices, requiring less purchase of outside services.

In addition to our ADP request, there is a small $13,000 increase for systems data and model development.

PERSONNEL

On our personnel request, I would like to underscore that this request does not seek any additional staff positions. The increase of $291,000 for personnel is a 2.8-percent increase over fiscal year 1985. It is primarily for merit increases and staff benefits at the full staffing level. As I have previously stated several times, CBO will continue its practice of not seeking additional slots unless there are specific, new duties imposed on us by the Congress.

OTHER SUPPORT SERVICES

Other support services involve an increase of $150,000. That covers postage, telephone services, copy leases, and so forth. This category includes travel and training costs as well.

As I stated at the beginning of my statement, the fiscal year 1986 budget request essentially provides for a continuation of our basic legislatively mandated services to the Congress. The increase is 4.5 percent; no increase in staff. It is, in effect, a current services budget.

Thank you very much.

Senator D'AMATO. Thank you very much, Dr. Penner.

Earlier this year, the committee explored the possibility of obtaining a CBO staff member for a rotational assignment with one of the subcommittees. The Budget Analysis Division of the committee was told it was understaffed and it is not CBO's policy to provide for such assignments. Why doesn't CBO encourage its managers to provide this experience?

Mr. PENNER. The main problem, sir, is that we have very few people working on each specific budget function. Therefore, any details of a substantial amount of time would leave a big hole in our other cost estimating services.

Senator D'AMATO. One person?

Mr. PENNER. In some functions, sir, we only have one or two people.

Senator D'AMATO. Wouldn't you choose one of them from, obviously, a function that does not have just one person, rather one which has more people? I am not suggesting, nor does the committee suggest, that you take a person who has sole responsibility for a particular area and then leave no one in that area. Would you give me a more detailed reply to this question in writing?

Mr. PENNER. Most certainly.

UNDERSTAFFING OF BUDGET ANALYSIS DIVISION

Senator D'AMATO. Is the Budget Analysis Division still understaffed and, if so, in what areas?

Mr. PENNER. I am not sure which unit you are referring to. We did have a very large number of resignations in one of the units, mostly in the nonentitlement, nondefense discretionary programs at the beginning of this year. We have now, though, been pretty much able to replace those people.

Senator D'AMATO. Page 19 of the Senate Report, 98-515 states that responsiveness to the committee is "the principal function of the CBO and directs that the Budget Analysis Division be given priority in the limited staff and financial resources."

In what way has this directive been carried out, if a committee request is denied due to understaffing?

Mr. PENNER. We feed information into the Budget Analysis Division from all sources, but we have directly allocated about 84, I believe, of our slots to that Division plus over 75 percent of the time of the Fiscal Analysis Division and the Tax Analysis Division is devoted to supporting the Budget Analysis Division. We have made special efforts in the Budget Analysis Division to increase our productivity through the use of personal computers and through improving our computer systems. In particular, with the use of such devices, we have been able to greatly increase our capacity to compute the implications of a great variety of budget plans that are offered in the budget.

Senator D'AMATO. I am going to ask to take a brief minute or two here while I go up and vote and I will be right down. We will not recess. We will suspend for several minutes until I vote.

[Pause.]

Senator D'AMATO. It would appear that CBO is spending more of its time and effort on producing advisory reports from its Program Divisions without addressing whether or to what degree this may have an impact on your Budget, Fiscal, and Tax Analysis Analysis Divisions. I question whether we can tolerate that level of effort and expense when we are all faced with the requirement to do more with less. That is particularly true when we have other agencies like GAO that can help Congress with these matters.

In March of this year, you supplied to this committee information on the potential impact of a 5-percent and 10-percent reduction in your request. Those reductions of $923,000 and $1,846,000, respectively, were displayed in terms of personnel, systems, ADP, and other reductions. Instead of applying those reductions to all Divisions, could you not achieve the savings simply by cutting back on your Program Divisions and protecting those elements of greater priority?

Mr. PENNER. Sir, it really depends on what those divisions are doing. As I said, the so-called program divisions—some of which have shrunk in size as BAD has grown over the years—do play a crucial role in developing techniques and data bases, and so on, for the Budget Analysis Division. Therefore, it is very much an integrated system. In terms of the cuts that we propose, for example, from the budgeting point of view, a lot of the costs of the Systems Data and Model Division would be in the budgets of the so-called program divisions. That is where we would take the biggest cuts, and we would try to be very careful to minimize their effects on the longer term work of BAD.

Senator D'AMATO. Let me ask you something; as a matter of priority, who should take the biggest cut? For example, we have expressed concern that the Budget Analysis Division be given the resources necessary to maintain and improve its level of service to the Congress. Do you share that commitment?

Mr. PENNER. Most certainly, and I think we have provided good service there.

Senator D'AMATO. Let me ask you specifically. Does this budget provide for those needs or for that need?

Mr. PENNER. The budget request? Yes, sir, very clearly.

DECREASE IN BUDGET ANALYSIS DIVISION

Senator D'AMATO. Then what accounts for the $185,000 program decrease in your Budget Analysis Division?

Mr. PENNER. Program decrease?

Senator D'AMATO. It would appear to be a decrease of $185,000 from the Budget Analysis Division. Do you have it there? Schedule B. It says, "Congressional Budget Office analysis of change by organizations and by object class." If you look at the second line, "Budget Analysis Division," carrying it all the way to the right.

Mr. PENNER. That is the result of the substitution of personal computers for moneys that would otherwise go to price increases for timesharing services. It is all in that outlay. It can be looked at as a productivity increase.

NUMBER OF MICROCOMPUTERS PURCHASED

Senator D'AMATO. Speaking of computers, how many do you actually have in your agency? And are these machines purchased or rented?

Mr. PENNER. Can you give us an account?

Mr. HARRIS. We have approximately 170 microcomputers at this time. We do not lease any of our equipment, except our copying machines. We purchase it all. The $185,000 that you cited, Mr. Chairman, was largely because of our decrease in budget in the commercial timesharing areas, which resulted from using the microcomputers to do programmatic analysis.

Senator D'AMATO. I am simply noting that you have something of 222 authorized positions and 170-plus computers.

Mr. HARRIS. That is right. We have approximately one microcomputer for every professional staff.

Senator D'AMATO. Is that a wise investment?

Mr. HARRIS. I think it certainly is, in terms of the direction we have been able to go and the responsiveness we have been able to show and the number of different options that enables our analysts to process in a very short period of time.

Mr. PENNER. It is also much cheaper than buying services from the outside and has greatly increased our capacity to store data and, as I said before, to work out the many alternative budget plans that various Senators and Congressmen have asked us for during the course of a budget debate. Over the last 2 years, we probably did well over 50 of those, which would have been impossible in the days before we had microcomputers.

Senator D'AMATO. How many of the positions are vacant?

Mr. PENNER. We generally run about 215 to 217 positions filled, as opposed to our authorized strength of 222; that is just as a result of normal turnover.

Senator D'AMATO. What level of resources are you devoting to the preparations of State and local estimates?

Mr. PENNER. When we were given that task, we requested four extra positions and, while different people work on it, that is a pretty good indicator.

Senator D'AMATO. Has the preparation of these estimates been as demanding as you expected?

Mr. PENNER. It has in the sense that while there is a threshold that is supposed to reduce the amount of State and local cost estimating that we do, we find that we can't usually determine whether it breaks the threshold unless we actually do it. So while that threshold was designed to reduce the workload, it just doesn't help very much except in very obvious cases where there are no costs.

Senator D'AMATO. Given that the Budget Committee, the Treasury Department, the House Ways and Means Committee, the GAO, and the Senate Finance Committee and the Joint Committee on Taxation, all of them, conduct tax analysis, do you feel that your yearly report on tax expenditures is a duplication of effort?

Mr. PENNER. It is something we are required by the law to provide. We are always willing to discuss the need for that. I have had some concern about that myself.

Senator D'AMATO. Would you give us something a little more specific for the record? Let me ask that you give us something with respect to time spent; duplication. We need to get these expenditures down.

Mr. PENNER. Yes, I should say that that is not——

TEN-PERCENT CUT MANDATED

Senator D'AMATO [interposing]. Let me suggest to you, we are going to cut. We can cut with your help and we can cut without your help. I don't think you can accuse this committee of not being mindful of our responsibilities in attempting to give you adequate resources last year or the year before. We are in a new era. And I have got to come up with a reduction of 10 percent. I am going to do it, but I am going to need your help.

Mr. PENNER. We are most certainly very willing to continue discussions with you.

Senator D'AMATO. It seems to me that we should concentrate on those areas where there could be duplication. I don't like laying people off and I think we had better get an attrition schedule from you as to how the past patterns have operated so that we can build into this budget some attrition, but you are going to be down. I don't care what you do on the other side, the fact of the matter is that everybody is going to share in this. So what I am suggesting to you is take a look, come back to this committee with a view toward helping us meet this goal, and I would come up with maybe two different alternatives.

One with 10 percent and one with 5 percent, but we are going to cut. I will let you give a third with a freeze. But I have got to have that. If that is not the case, then we will recommend a program that may fly in the face and make everybody's job more difficult without having the benefit of your thoughts. So I would suggest a preparation of three different alternatives—10-percent cut, 5-percent cut, and a freeze. And take it from there because that is what we are looking at. Those are the hard realities. I am not going to sit—in another area they have to cut 20 percent or we are going to eliminate OTA, for example, so another area can have a 5-percent or 4-percent increase. You do this, this is your work. That is the way we are going to have to look at it.

Mr. PENNER. I should point out that a freeze and a 5-percent cut are virtually identical things.

Senator D'AMATO. OK. So let's look at the alternatives I spelled out.

We will have several other questions that we will put to you for the record and ask that you respond in some detail.

Mr. PENNER. Sure.

Senator D'Amato. Senator Bumpers has several questions, and he is on the floor right now.

Mr. Penner, I am going to just raise one of Senator Bumpers' questions now to you and ask you to respond to the others in writing. I would appreciate it.

The Senate resolution calls for a 10-percent cut in the legislative branch; what effect would such a cut have on the CBO's budget?

Mr. Penner. We have given you some idea of the effect of such a cut. It would be about 6 percent below last year's level and with inflation, it would amount to a real cut from last year of about 10 percent. Our budget is almost entirely in just two areas—personnel and data processing. About 86 percent of our budget is in those two areas.

Senator D'Amato. Maybe you ought to look at that tax business that we spoke about in terms of duplication. How many people do you have working on it?

Mr. Penner. On all of tax analysis—tax expenditures——

Senator D'Amato [interposing]. No, that specific report I mentioned.

Mr. Penner. That report does not require a large amount of resources, sir. It is a fairly automatic and easy thing to do. Eliminating it would not save us a great deal of money.

Personnel and automatic data processing represent about 86 percent of our budget. So very obviously that is where we have to go for most of our money.

Senator D'Amato. You have more computers and have given people greater efficiency.

Mr. Penner. I think we are approaching the limit to that. We have been doing that fairly constantly. We have not asked for more positions without any increase in our duties.

CUTS IN DATA PROCESSING

In the plan that we have shared with you so far, we would take the bulk of the savings in terms of dollar amounts out of the data processing amounts. The suggestion we made is $737,000. That is a 13.6-percent cut below our request. We couldn't avoid taking some out of personnel. We tried to minimize that, but it is so huge in our total budget. It is just hard to imagine getting by without it, and we have suggested about a 6-percent cut there. That amounts to $625,000. In addition, we have cut other things by a lot more. The systems data and model development, which I consider to be more an investment in the future, we have really slashed by some 38 percent. These kinds of cuts would obviously reduce what we can do. In particular, we have to take a very hard look at the kind of expense of computer runs that we do primarily for the Budget Committee and for other committees trying to persuade them to get along with a lot less in that regard.

Senator D'Amato. Let me suggest to you I don't believe that would be appropriate to do that for the Budget Committee. Maybe for some of the other committees that would be appropriate. You may have to say to some members, for example, who come up with their various gimmicks and plans and proposals that that is not the purpose and I don't think it really was. Be that as it may, I would ask you to give us a more comprehensive and specific outline of how you would accomplish what areas you would recommend diminishing of services to and I would ask for a program of attrition.

Mr. PENNER. We are talking about 6 percent in personnel. We would have to be very lucky to accomplish that with pure attrition because that is a pretty big hunk. You need 12 percent, assuming people retired evenly over the year, obviously. You end up with 12 percent below——

SUBMITTED QUESTIONS

Senator D'AMATO [interposing]. Let's see what you can give us. Thank you very much. Keep up doing a good job.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

QUESTION: Please be as specific as you can in your description of the impacts of applying the entire reduction to the program divisions.

ANSWER: Mr. Chairman, when one looks at the CBO's organizational chart, which shows it is divided into seven distinct divisions, one might conclude that they operate independently of one another. However, while the functions of each division are somewhat unique, the work of each is highly dependent on that of the other. The program divisions provide key support to the budget and authorizing committees in analyzing various programmatic and policy options and their associated costs, and they collaborate closely with the Budget Analysis, Fiscal Analysis, and Tax Analysis Divisions to accomplish these tasks.

The interdependence of our organization is best exemplified by our annual report volume entitled Reducing the Deficit: Spending and Revenue Options. This report describes several broad strategies that could be used to reduce the federal deficit, and analyzes numerous specific spending and tax options for implementing those strategies. For each option, it presents estimates of the outlay savings or revenue increases relative to CBO's baseline projections. The Fiscal Analysis Division prepares the economic assumptions used in the report. The Budget Analysis Division prepares the baseline projections on the basis of these economic assumptions. The program divisions are responsible for developing strategies and options. The cost analysts in Budget Analysis provide the savings estimates associated with each option. The Tax Analysis Division provides the analysis of options for increasing revenues. Without the work of the program divisions, this volume could not be done in its present form.

During fiscal year 1984, the program divisions were asked to do 70 different reports. Of those, 34 reports (or 49 percent) were requested by the Budget Committees, Appropriations Committees, or Taxation Committees of one House of Congress or the other. And of those 34 reports, 24 of them (or 71 percent) were done for either the House or Senate Budget Committee.

If the program divisions were to bear the entire brunt of a 10 percent cut in the agency's 1986 fiscal year request--$1.846 million--it would cut by 36 percent the $5.074 million allocated to the program divisions in our request. This reduction would not only wipe out all funds allocated to the program divisions for ADP purposes, but cut significantly (over $200,000) into funds allocated for personnel as well. As it is, under the 10 percent budget reduction plan submitted by the CBO to the Committee, which spreads the cuts across all object classes, these divisions will still bear a heavy burden. I believe, Mr. Chairman, that, to maintain the flexibility of the organization, the CBO must continue to be allowed to set internal priorities free of language that might otherwise restrict its options.

In the longer run, the work of the program divisions is absolutely essential to maintaining the quality of the CBO services mandated by the law. It is through the work of those divisions that we gain the profound understanding of particular programs that is necessary to comprehend the cost implications of altering them in any way. The program divisions also develop models that they can use to make cost estimates thus taking some of the load off Budget and Tax Analysis, or transfer the models to Budget Analysis where they become valuable tools for improving cost estimates in the long run. The energy and agricultural experts in our program divisions also make valuable inputs to our economic forecasts of world oil prices and crop prices that are crucial to our overall economic forecasts and to the budget costs of agricultural and energy programs.

Were it not for the work of our policy divisions, the quality of the legally mandated duties of the Fiscal, Tax, and Budget Analysis Divisions would steadily erode over time.

QUESTION: Of the 170 microcomputers, how many are purchased; how many leased? How much did these purchases or rentals cost last year? Who is responsible for making price comparisons before purchases are made?

ANSWER: All of CBO's microcomputers have been purchased and none is leased.

We spent approximately $196,000 for 61 microcomputers and related equipment last year.

The Systems Development and Research Unit of the Budget Analysis Division is responsible for all microcomputer hardware and software acquisition, installation, and support. First, the General Services Administration (GSA) price lists are consulted. Then prices are obtained from a minimum of three vendors. CBO is frequently able to negotiate prices substantially below that of the GSA. Large suppliers like IBM offer us the same discount offered the GSA (32 percent).

QUESTION: What is involved in your upgrading of existing ADP equipment? What committees will be gaining direct access to some of your data bases, and what are those data bases?

ANSWER: The upgrade consists of replacing all 8 bit microcomputers with 16 bit machines. Several of the printers being used with the micros were purchased in 1981 and early 1982. These machines have seen considerable service and will soon have to be replaced with faster and quieter printers. We are also implementing some local area networks with our micros. This allows us to share data as well as special equipment such as plotters and letter quality printers.

CBO data bases may be accessed by the Budget and Appropriations Committees. To date the House Budget Committee has accessed limited data bases. Some interest has been shown by the Senate Budget Committee, but they are doing a study to see if they want direct access or if they will have to work through the Senate Computer Center for their data needs. Our work with the House and Senate Appropriations Committees has consisted of data links to support the CSBA process but no interest in direct access has been expressed. CBO is working on "downloading" methods to supply the committees with data they can use on microcomputers.

The data bases where direct access is allowed are the projections and scorekeeping applications. We have security methods that enable us to control the access within these data bases to insure that restricted data as determined by a committee is held in confidence.

QUESTION: Supply a list of vacant positions by division. Should these positions remain vacant, by what amount should your request for compensation be reduced, both for FY 86 and for the FY 85 supplemental?

ANSWER: Current vacancies at CBO by division are listed below.

DIVISION:	IR	BA	HR	TOTAL
VACANCIES:	2	3	1	6

These vacancies exist mainly because candidates with special analytical skills are being sought and have not yet been located.

Should these positions remain vacant, a savings of $246,872 in personnel compensation would be realized for FY 86 and $2,879 for the FY 85 supplemental.

Because of normal personnel turnover, we need the flexibility to decide what positions would be placed on hold so as not to jeopardize critical areas in responding to congressional requests.

QUESTION: Do you feel your yearly report on tax expenditures is a duplication of effort with the Treasury Department and the various Congressional Committees that deal with tax issues? Also, how much time is spent in its preparation?

ANSWER: In the past our reports on tax expenditures have supplemented the reports by the Treasury Department and the Joint Committee on Taxation, by including more detailed examination of particular aspects of tax expenditures. For example, our most recent report reviewed experience with tax expenditure budgeting in other countries and lessons for the United States; an earlier report examined how the budget process might be used to control tax expenditures. We are currently reviewing what form this year's report will take, with a view toward minimizing use of staff resources, while fulfilling our legal mandate and providing useful and timely information on tax expenditures not available in other publications.

CBO has never duplicated the effort of the Joint Tax Committee in their estimates of tax expenditure. In our publications, we have always cited the estimates generated by the Joint Tax Committee, which are prepared in consultation with us. We have not, however, prepared separate estimates and do not intend to do so in the future. Our contributions on this topic have been limited to explanatory text that the Joint Tax Committee has not been able to provide.

As for the time our reports take to produce, the last report we did took the equivalent of one person working one month, including preparation for final publication.

QUESTION: In your meeting with other agencies and offices to attempt to expose possible duplications of effort, if you discover that there is overlap on reports already in progress, how do you handle that? Who continues with these projects and who aborts? What criteria are used to make these decisions.

ANSWER: Theoretically, overlaps such as those suggested should no longer occur. In recent years, a group of executive level administrative personnel from the four support agencies has been formed to counter such problems. This Interagency Group meets approximately every six weeks to review carefully proposed new projects. In advance of the meetings, copies of proposed new projects are reviewed by the respective analysts in each agency. In addition, in advance of starting a new project, analysts are required to contact their counterparts at the other agencies to be sure their project will not duplicate existing ongoing work.

If, during an interagency review meeting, possible duplication is discovered, the duplicating analyst must work with the analysts who have already done work in the area and arrive at a proper solution. If the work being duplicated is in progress, as with a current case, the duplicating analyst may be required to postpone further work until the other analyst's work is published. At that point, a subsequent decision would be made on whether to proceed, if the work will not be duplicative, or to abort the project. Another alternative, used more frequently, is to join the expertise of the different agencies in a single product. In the last two years, the CBO has worked with the GAO on an analysis of the Grace Commission's findings, with the OTA on an airport development study and with CRS on a recently published report on childhood poverty. Criteria used in making these decisions include available expertise, the work already existing on the subject, and what work is already in the production pipeline.

QUESTION: What are the principal items included in the $792,000 increase over fiscal year 1985?

ANSWER: The main items of increase in the fiscal year 1986 request fall in the areas of automated data processing (ADP) and personnel.

The personnel request includes an increase of $291,000, primarily for merit increases and their associated benefits. This is a 2.8 percent increase over the fiscal year 1985 level.

The request for ADP represents an increase of $338,000, which includes price increases of $320,000, upgrades and maintenance of $185,000, and new work of $98,000. These increases are offset by $265,000 of savings in current costs as a result of productivity gains.

There is also a small increase requested for systems, data, and model development of $13,000.

Also, there is a request for an increase of $150,000 for other support services, which includes postage, utilities, lease costs, travel, printing, training, supplies, equipment, and miscellaneous services.

QUESTION: Last year, 60 percent of the increase you requested went toward computer costs. Can we expect that these expenses will continue to rise or will they level off at some point? What are you doing to manage these costs?

ANSWER: Last year our increase for computer costs was 43 percent of the total requested increase of $821,000. Our request for ADP costs this year of $5,423,000 is less than last year's request of $5,435,000. Without price increases, our ADP requirements would have decreased by over 6 percent this year. In other words, we have been able to expand our computational and data base services while lowering total expenditures.

We have done a number of things to manage our ADP costs. Over four years ago, we began moving our applications to the House's computer center. This has checked the steep price rises of the commercial time-sharing services that we had been using. We have also been making heavy use of microcomputers, which has further reduced our time-sharing costs. Other steps taken include reducing our volume of printed computer reports, which has decreased by over 30 percent in the last two years. We are monitoring our costs on a daily basis to insure we are getting maximum use of our computer resources.

QUESTION: The Committee knows that its use of both the BADS and APT IV (pronounced "APT Four") data systems places a special requirement on CBO. CBO has been very responsive to the needs of the Committee in this regard. It is essential that this Committee receive consistent data, using both the BADS and APT IV system. Will you assure us that you will continue to give a very high priority to providing this Committee with timely data using the APT IV system?

ANSWER: We assure the Committee that the APT IV system will continue to be a very high priority to us. During the past two years, we have developed and enhanced an APT IV set of control programs, commonly referred to as the Driver. This Driver centralizes the APT IV functions into a set of commands consistent with scorekeeping terminology. It makes the system easier for Scorekeeping Unit analysts to learn and use, thereby reducing errors and dependence on programmers for routine operations. We still continue such efforts in addition to always having the APT IV system assigned to a programmer/analyst as a very high priority.

QUESTION: Does CBO believe that rotational assignments of personnel are beneficial for both the Committee and CBO? If not, why not? Under what circumstances has CBO ever provided employees to Committees for short-term assignments? Is the Budget Analysis Division still understaffed? If so, in what areas?

ANSWER: Mr. Chairman, I want the Members of this Committee to know that we would feel it beneficial to be able to assist a committee in responding to requests for CBO personnel. Public Law 93-344, the Act creating CBO, clearly addresses the issue of assigning office personnel to committees. The law states, "At the request of the Committee on the Budget of either House, personnel of the Office shall be assigned, on a temporary basis, to assist such Committee." The law goes on to state that "At the request of any other committee of either House or any joint committee of the Congress, personnel of the Office may be assigned, on a temporary basis, to assist such committee or joint committee..." To date, CBO personnel have not been officially assigned on a short-term assignment or rotated on a full-time basis. This largely reflects the assignment of individuals to specific budgetary analyses within CBO so that rotation would decrease our ability to carry out our legislated tasks.

The Budget Analysis Division (BAD) currently has three vacant positions for which they are recruiting--one in the Systems Requirement and User Support Unit, one in the Natural Resources Unit, and one secretarial position in the Projections Unit. These current openings should in no way be construed to imply that the Budget Analysis Division is understaffed. BAD has the largest authorized staff ceiling of any of our divisions, a total of 84--more than triple the number of any of CBO's other divisions. To once again underscore how closely our divisions overlap, a key agricultural analyst in our Natural Resources Division is currently assigned to the Budget Analysis Division to assist in that area while the search to fill the vacancy in BAD is underway. More important, there is constant communication between the relevant BAD and program analysts. This interchange is an integral part of the preparation of cost and budgetary estimates.

QUESTION: From time to time, you produce some pretty slick reports--booklets with glossy, color covers and the like. Who determines whether a CBO report will be distributed in such style, or will be simply collated and stapled? What is the cost differential between production of a report like "Pricing Options for the Space Shuttle" and a more garden-variety type?

ANSWER: The CBO uses the Government Printing Office exclusively to produce its reports. The materials used are selected from among the standard options available to GPO customers. No CBO report has had more than a two-color combination on its cover. In addition, GPO has assured us, and our own analysis has shown, that the difference in price between reports with glossy covers and those with matted covers is approximately 3 cents per copy.

QUESTION: There appears to be some inconsistency in your justification material as it pertains to allocation of positions among various divisions. Tabular material under tab "C" shows 8 positions in the office of director, 85 in budget analysis, and 72 in program divisions, while tab "E" indicates 6 in the office of director, 84 in budget analysis, and 67 in program. Which is correct?

ANSWER: The schedules under tab "C" were provided at the request of the Legislative Branch Subcommittee of the House Committee on Appropriations as part of an effort to make the Legislative Branch agency budget requests more uniform.

These schedules are organized on a functional level. For example, the Office of the General Counsel has been added to the Office of the Director and five positions in the General Government Unit of the Office of Intergovernmental Relations are shown in the Program Divisions.

The Position Allocation schedule in tab "E" represents a strictly organizational allocation of our authorized ceiling. The Budget Analysis and Fiscal Analysis positions of 84 and 23 respectively (as shown in tab "E") are correct and should be used rather than the allocation of staff positions shown in tab "C".

QUESTION: **To follow up on an old and familiar concern, has any more of the equipment you leased with the intent to purchase been actually purchased? How many machines, and what type? Over the years, have your purchases been less costly than have your leases?**

ANSWER: **In September, 1984, CBO purchased 24 word processors that had previously been leased. The following table summarizes the lease vs. buy analysis.**

Xerox 860 Word Processor Lease vs. Buy Analysis

	FY 84	FY 85	FY 86	FY 87	Total
Lease Cost		$205,600	$205,600	$205,600	$616,800
Purchase cost:					
Purchase price	122,500				122,500
Maintenance		35,000	35,000	35,000	105,000
Net savings	(122,500)	170,600	170,600	170,600	389,300
Payback Period					9 months
Return on Investment	(total net savings/purchase price)				300%

The savings are so large because:

- The 26% lease cost increase in fiscal 1985 represents a catch-up after 3 years of flat prices.
- The purchase price includes a 15% discount off the GSA price as well as a 5% discount for prompt payment.

This is our only experience with the purchase of formerly leased equipment and the analysis shows that it will save $389,000 just through fiscal year 1987.

In addition, we are currently evaluating the possibility of purchasing our reproduction equipment, the only major category of equipment we now lease.

QUESTION: What are the "other services" that comprise the largest increase ($384,000) in your budget summary?

ANSWER: Mr. Chairman, the following table provides a summary break out of "Other Services".

OTHER SERVICES FISCAL YEAR 1986 INCREASE

(in thousands of dollars)

	Fiscal year 1985 estimate	 1986 request	Difference
(V-1) ADP commercial	$2,133	$2,026	($107)
(D) Interagency	3,036	3,482	446
(D-5) MIS (ADP)	2,922	3,363	441
(D-5) Other (ADP)	30	34	4
(D-10) Admin (Library of Congress support)	84	85	1
(R-1) Systems, data and model development	785	798	13
(G,M,Z) Misc services	265	292	27
(G) Equip repair	60	75	15
(M) Clerical	24	24	0
(Z) Cataloging	22	23	1
(Z) Clippings	9	10	1
(Z) Couriers	72	75	3
(Z) Graphics	23	25	2
(Z) Storage and mailing	35	38	3
(Z) Other	20	22	2
(E) Training	55	60	5
25.0 TOTAL	6,274	6,658	384

QUESTION: I understand that the CBO has been able to increase productivity and decrease costs in the Automatic Data Processing area. Please explain.

ANSWER: A number of steps have been taken to improve our ADP support while decreasing our costs.

The increased use of microcomputers, for example, has decreased our use of more expensive commercial timesharing. Our commercial ADP costs for the first six months of this fiscal year are nearly 43 percent below the same period last year.

Another example is the increased use of our on-line systems, which has reduced our output of printed computer reports by 30 percent in the last two years.

The introduction of microcomputers, while leading to cost decreases, has been very important in enabling us to expand out services to the Congress. For example, CBO's ability to provide time analyses of alternative budget plans is directly related to the capabilities of microcomputers. If CBO relied just on mainframe computers, these analyses would be delayed considerably--frequently to the point where they would not be useful in the debate and decision process.

QUESTION: What specific actions would be taken, including services that would be reduced, to achieve each of the budget cut alternatives listed below?

1. Freeze
2. 5 percent cut
3. 10 percent cut

ANSWER: Mr. Chairman, as you know, the Congressional Budget Office, for fiscal year 1986, has requested an increase in its budget of 4.5 percent. That is approximately what CBO estimates the rate of inflation will be that fiscal year. In preparing our budget request, we gave careful attention to a budget that underscored our desire to hold the line against escalating federal budget deficits. We have requested no new positions. By switching to and buying microcomputers, we have significantly reduced the cost of our computer work. People and computers comprise 91 percent of the CBO's fiscal year 1986 request. With a 4.5 percent allowance for inflation, the CBO's fiscal year 1986 request is truly a current services budget and nothing more.

We held our request to 4.5 percent despite the fact that interest in the deficit problem has increased our workload as we have responded to requests from all quarters of the Congress to analyze numerous deficit reducing options. Because our requested increase is so low relative to the requests of other legislative branch agencies, cuts from that request level put us at a disadvantage relative to our fiscal year 1985 spending level and therefore imply relatively greater reductions in our ability to provide high quality services to the Congress in the short and long run.

Freeze of CBO Budget Request at the FY 85 Level

As Table 1 makes clear, freezing CBO's budget request will require reductions of $792,000. As we share the Committee's concern for furloughing people, our plan for dealing with a freeze seeks to minimize its effect on personnel levels. The greatest portion of the savings, 34 percent, comes from scaling back our plans for replacing and upgrading our microcomputers. That reduces our fiscal year 1986 request in this area by 50 percent, from $546,000 to $271,000.

The second largest item of the savings under this plan would come from the systems, data, and model development area. The $185,000 cut is 23 percent of both the total reductions of this plan and of the fiscal year 1986 request in this particular area. Current models and systems would be maintained at this funding level, but all new work would be cut by about one-third. This cut affects mostly the program analysis units.

Table 1 assesses the effects of a freeze on the inputs necessary to produce our services. It is somewhat more difficult to assess the impact on the quality and quantity of our output. Because we are in the business of providing services to the Congress, our priorities are largely determined by those who have the right to request CBO work. The requests generally reflect the immediate policy interests of the Congress and those are hard to forecast from year to year.

In designing our response to a freeze, we have devised a plan that would allow us to maintain the level of our services in the short run, but the plan would cut investments in improving the quality of our computer capacity and in improving the quality of our data bases. This will, of course, affect the quality of our analyses in the longer run. We hope that much of this loss could be recouped in future years, but in some instances this may be difficult. Much of the expenditure in the "systems, data, and model development" area involves improving data sources. The work is designed by program divisions in the interest of improving both cost estimates and policy analyses. Often we finance the addition of questions to surveys that are particularly relevant to our work. To do that we must make our suggestions when the surveys are designed, and opportunities that are lost are often lost forever. However, we would obviously give such work priority within the restraints of a lower budget and would strive to minimize permanent losses in our capacity to do high quality work.

5 Percent Cut in the CBO's FY 86 Request

Because our request is for a 4.5 percent increase--a freeze and a 5 percent cut yield nearly identical numbers--it will not be detailed further here.

10 Percent Cut in the CBO's FY 86 Request

To achieve a 10 percent cut from the CBO's fiscal year 1986 budget request, the agency will have to take all of the above cited actions, as well as the others listed on Table 1, plus a good many more, as shown by Table 2.

Most important, such a cut will require the CBO to achieve some of its savings in the area of personnel. Of the $1.846 million reduction necessary to reach this level, $263,000, or 14 percent, will come from personnel costs. This is the funding equivalent of six work years. Reductions in this area would be achieved through an executive review of each vacancy, using attrition to protect the current staff wherever possible. In addition, in this same area, the agency would be forced to reduce its summer intern program.

Mostly, though, this further cutback would mean hitting harder those areas already outlined for cuts by the freeze plan, especially systems, data, and model development. Funds in this area would be reduced by over 62 percent, $498,000, from the fiscal year 1986 request.

Again, Table 2 and the above discussion refer to inputs and not to outputs. While a freeze could be accomplished without reducing the level of current services (though investments in improving the quality of future services would suffer), a 10 percent cut from our request level would, by necessity, imply some cut in the level of services.

Because we would strenuously try to avoid furloughing or permanently dismissing personnel, we would have to rely on attrition to meet our reduced target for personnel costs. Table 2 notes that our average personnel level would have to be reduced to 216 from our authorized strength of 222. Because we are likely to start the fiscal year with a staff greater than 216, we would have to be below 216 by the end of the fiscal year to meet our target for the year as a whole.

The level and composition of attrition is, of course, difficult to predict. As a result, it is difficult to forecast which of our divisions and services would be affected the most. But we would strive to keep those divisions that perform legally mandated services close to full strength. They are the Fiscal, Tax, and Budget Analysis Divisions.

However, relying on attrition imposes a constraint on one's flexibility. The severity of the constraint depends on luck. While one can often transfer people from job to job in an effort to respond to the priorities set by the Congress, there are stringent limits to this process. For example, if a computer programmer resigns, he or she cannot be replaced by a transportation specialist. Someone new must be hired and this reduces flexibility elsewhere.

With a 10 percent cut in our budget, we would have to scrutinize every request for services very carefully. Our ability and willingness to fulfill a request would depend on such things as the priority given to the request by the requestor, the costs of fulfilling the request, and the specialized resources that we had available after attrition. In some cases, we may be able to negotiate a less elaborate and less costly response than was desired initially. Since our plan takes a big cut out of computer services in an effort to preserve our personnel budget and since very expensive computer runs are often requested with a short turnaround time, we would attempt to substitute less expensive runs done over a longer period of time in order to take advantage of night-time and weekend rates. Needless to say, this implies a reduction in the quality and timeliness of our response, but we see no way of avoiding such an outcome.

TABLE 1. TYPES OF ACTIONS NEEDED TO FREEZE CBO BUDGET REQUEST AT FY 85 LEVEL (In thousands of dollars)

	86 Request	Reduction	Possible Impact on CBO Operations
Scaleback microcomputer resources.	546	271	A 50 percent cutback would curtail both replacement of microcomputers and plans to maintain state-of-the-art capabilities.
Accelerate use of existing personal computers to reduce reliance on commercial ADP services and take greater advantage of discounts for night-time and weekend processing under inter-agency time-sharing agreements.	4,877	172	Cut would necessitate greater investments of available staff time for conversion of work to PCs, modifications in processing requirements, and slower response time for work assigned discount processing. No significant impact on budget analysis activities.
Curtail systems, data, and model development.	798	185	Cut would still allow for keeping current models and systems up to date, but it would reduce data acquisition and model development by more than one-third--mainly affecting program analysis.
Adopt other economy measures for training, travel, printing, purchase of supplies, materials, non-ADP equipment, miscellaneous services, and other support items.	1,081	164	Cuts could alter CBO's work environment that presently supports a high quality staff and work product.
Total Reduction		792	

TABLE 2. TYPES OF ACTIONS NEEDED TO REDUCE CBO FY 86 BUDGET REQUEST BY 10 PERCENT (In thousands of dollars)

	86 Request	Reduction	Possible Impact on CBO Operations
Scaleback microcomputer resources.	546	271	A 50 percent cutback would curtail both replacement of microcomputers and plans to maintain state-of-the-art capabilities.
Restrict use of commercial/interagency ADP time-sharing service and take greater advantage of discounts for night-time and weekend processing.	4,877	500	In addition to accelerating conversion of work to PCs, modifying processing requirements, and accepting slower turnaround times, further cutbacks would affect quality, scope, and possibly frequency of CBO reports. Specific implications for future study requests cannot be anticipated.
Curtail systems, data, and model development.	798	498	Cutting resources by more than two-thirds would greatly restrict CBO's capacity to carry out special analyses that require processing large quantities of data. CBO would have a greatly diminished capacity to analyze impacts of proposed changes in defense and nondefense activities.
Use 3rd class mail for most CBO reports.	230	115	Estimated average delivery time of reports would slip from 5 to 10 days. Slower mail would mean less timely dissemination of new CBO information.
Cut full-time personnel costs by funding equivalent of 6 work years through executive level review of vacant positions.	10,179	263	Case-by-case review of positions becoming vacant would ascertain need to fill vacancies, shift assignments, or defer work. Priority would be given to maintaining essential budget analysis functions. Review could delay filling some vacancies, thus having an impact on CBO's response to the Congress. The personnel cost reduction would provide funding for 216 work years.
Scaleback intern program.	181	35	Cutting the CBO summer intern program in half (12 instead of 25 positions) would mean the loss of key analytical resources to CBO and deny top students a unique educational opportunity.
Adopt other economy measures for training, travel, printing, purchase of supplies, materials, non-ADP equipment, miscellaneous services, and other support items.	1,081	164	Cuts would alter CBO's work environment, which presently supports a high quality staff and work product.
Total Reduction		1,846	

290

U.S. GOVERNMENT PRINTING OFFICE

STATEMENT OF RALPH E. KENNICKELL, JR., PUBLIC PRINTER

ACCOMPANIED BY:

ROBERT J. McKENDRY, DEPUTY PUBLIC PRINTER (OPERATIONS)
DONALD E. FOSSEDAL, ASSISTANT PUBLIC PRINTER (SUPERINTENDENT OF DOCUMENTS)
M. JOSEPH CANNON, COMPTROLLER
ANTHONY McMAHON, GENERAL COUNSEL
W. SCOTT SONNTAG III, DIRECTOR, CONGRESSIONAL PRINTING MANAGEMENT STAFF

BUDGET REQUEST

Senator D'AMATO. I am going to ask that the Public Printer of the United States come before us now because I understand he has a plane to catch. So we will take him out of order.

Ralph, we will take your statement as if read in entirety and briefly summarize it and maybe you can catch your plane and I can make my next meeting.

Mr. KENNICKELL. Mr. Chairman, we are requesting a total of $122,268,000 for fiscal year 1986 for those programs which require appropriations directly to the Government Printing Office. This is a 0.5-percent decrease from the amount approved for fiscal year 1985 and represents the second consecutive year in which we have been able to request an overall reduction in new budget authority. In addition, for fiscal year 1985, we are requesting a pay raise supplemental of $109,000 for the Superintendent of Documents.

The fiscal year 1986 requests include $78,900,000 to cover all of the printing and binding required by the Congress; $14,500,000 for the printing and binding authorized by law to be distributed without charge to the recipient; and $28,868,000 for the various programs of the Superintendent of Documents.

The only one of these requests to reflect an increase is the printing and binding appropriation which shows an increase of $1.3 million. This is primarily due to a projected volume increase in the Congressional Record Program, which is normally expected in a second session of Congress.

Since the budget was submitted and the House hearing held, the Government Printing Office has developed two proposals which will require modification of the appropriation language for the revolving fund. I am proposing the purchase of an additional parcel of land adjacent to the main GPO complex. I also plan to consolidate part of the GPO fleet of motor vehicles with that of the General Services Administration.

INCREASE IN REVENUE

In fiscal year 1984, revenue from printing and binding increased by 16.3 percent, or $108 million, to a total of $771 million. This resulted in net income of $15.7 million in fiscal year 1984, compared to $4.1 million in fiscal year 1983. These increases are primarily the results of increased workload, improved productivity, and the application of new technology.

The increased workload was most evident in our Printing Procurement Department. Approximately 307,000 commercial procurement actions were processed in fiscal year 1984, an all-time record and 10 percent over the number processed in fiscal year 1983. This activity demonstrates GPO's continuing commitment to utilize private sector printers.

In the sales program, we had net income of $6.1 million, out of total revenue of $59.4 million. Since fiscal year 1982, the program has now earned back a total of $17.8 million, which just about eliminates the $20 million cumulative loss of prior fiscal years.

IMPROVEMENTS AT GPO

In order to improve the coordination of our marketing program, we have now incorporated the Marketing Department into the organization of the Superintendent of Documents. Our primary marketing services are designed to sell Government documents and promote awareness and use of our Nation's depository libraries.

In an effort to improve responsiveness to our customer's needs, GPO is implementing a new facility at the former Departmental Service Office. We have renamed this facility the Rapid Response Center—National Capitol Area. It will feature a walk-in center for quick turnaround production or procurement of small graphic arts jobs and will serve the needs of Government agencies in the Washington metropolitan area. We will also continue our upgrading of GPO's in-plant production capabilities. This is part of our ongoing effort to remain at the forefront of technological progress, thus providing our customers with the broadest possible range of product and service options.

In order to speed the transfer of printing data between the GPO and various congressional offices, GPO is in the process of procuring a high-speed fiber optic communications link between computers located at GPO and on the Hill.

In a major effort to cut Government costs, GPO's Printing Procurement Department devised and implemented a procedure called the agency direct-deal/contractor direct-bill contract. This simplified contracting procedure permits the participating agency, rather than GPO, to order directly from the contractor and process the bills for work placed against the contract. Annual volume on 30 such contracts in place at this time range as high as 500 million pages resulting in a cost to the Government of slightly more than 1½ cents per page, less than half the cost incurred in agency-operated duplicating facilities.

NEGOTIATED PROCUREMENT AUTHORITY

During fiscal year 1984, GPO procured in excess of $550 million of printing, binding, and related services. This procurement activity is governed by the provisions of law which require formal advertising, except for: small purchases; when the public exigencies require immediate delivery; when only a single source of supply exists; or when a contractor is to perform professional or technical services.

We are requesting an additional exception to the formal advertising requirement. This exception, which is already available to all executive branch agencies, would allow GPO to procure without formal advertising if it is impractical to secure competition by formal advertising.

This new exception will only be used when it is impossible to draft adequate specifications, or other adequately detailed description of the required property or services, to be included in an invitation for bid.

The recent rapid advances in printing technology and the advent of computer-based storage, retrieval, and printing systems make this addition to GPO's procurement authority absolutely necessary. In fact, GPO's customers indicate that state-of-the-art publication systems procured under this authority will save them tens of millions of dollars in publication costs annually.

FUTURE PLANS

As the new Public Printer, I would like to reassure this Committee that I intend to continue this movement toward improving the Government Printing Office. Accordingly, I have filled vacant positions, reorganized certain departments, and created new offices; all with the single objective of attaining the strategic goal of transforming GPO into a demand-driven service-oriented agency.

I like to refer to our organization as the "new GPO," but in reality, this concept is nothing more than getting back to basics. I want our employees to take pride in their work; to be proud of the place where they work and the products they produce; and I want to keep our costs to a minimum, while at the same time being more responsive to the needs of the Congress and our other customer agencies.

I have moved aggressively to improve the overall morale of the employees at GPO. I have encouraged open communications, both upward and downward, and I hope to benefit from the experience and knowledge within GPO. I intend to use the best expertise in both the public and private sector to help solve some of the problems which still exist at GPO.

GPO is in the midst of a revolution—call it what you will; the second industrial revolution; the electronic revolution; or the information revolution. Nowhere has this revolution been felt more keenly than in the printing and publishing industry, where it is being driven by rapidly accelerating improvements in computer hardware and communications capabilities. The net result of these improvements is that information itself—the content of books, reports and journals—can now be stored in large quantities, reproduced in a greater variety of forms, and sent virtually anywhere we want faster, cheaper, and with more product diversity than anyone could have imagined just 5 years ago.

We at GPO have been watching these revolutionary changes closely because the Federal Government is perhaps the largest and most demanding information-intensive enterprise the world has ever seen. The business of governing depends on accurate and timely information, not only for the three branches of the Government but for the American public as well. Accurate and timely information, in turn, depends on effective and efficient information systems. As the Government's largest single information reproducer and disseminator, GPO must take advantage of the benefits that modern computers, micrographics, and other advanced information technologies have to offer, if it is to serve the needs of its customers in the most effective manner possible.

As GPO looks to its future, its mission will remain unchanged. The various methods, processes, and techniques we employ to perform that mission, however, are bound to evolve if we are to meet the challenges of the information age. Our expanding commitment to customer service through our marketing outreach activities, our planned Rapid Response Center, and improved procurement techniques is our initial response to this challenge. We will continue to search for more effective and efficient ways of conveying Government information to the public. Throughout all of GPO's operations, providing high-quality products and better service at a lower cost to the American taxpayer will be the yardstick against which the success of our efforts will always be measured.

I have committed GPO to the future as a demand-driven service-oriented agency.

Mr. Chairman, this concludes the summarization of my general statement. I will be happy to respond to any questions the committee may have.

LAND ACQUISITION

Senator D'AMATO. Let me ask you one question and only one question and I am going to ask the others to answer us in writing. What is the estimated cost of the acquisition that you spoke about next to your main facility, and give us a little detail on it?

Mr. KENNICKELL. There is one piece of land to the west of GPO's main facility and——

Senator D'AMATO [interposing]. Where is that?

Mr. KENNICKELL. On First Street and New Jersey. It's a triangular piece of land. It would insure us having adequate parking spaces close to the GPO for our night shift employees. We are in the process right now of losing one of our parking leases. Also, land in this area is starting to skyrocket. It seems like it would be a pretty good investment. In the event we don't have to use it in the future or if Congress thinks there is something else they would like to do with it, we can always sell the property.

Senator D'AMATO. That is why I wanted to ask you. You say you wanted authority to buy the land, but I think it is important to know what you are going to do with it, if you are going to build on it. I have a great architect around here who loves to build things. Maybe you can avail yourself of his talents and build a new office building.

About how many parking spots do you believe that will cover?

Mr. KENNICKELL. This one area will provide 100 parking spaces.

Senator D'AMATO. And you are losing parking facilities now?

Mr. KENNICKELL. We just heard we are going to lose about 300 slots over near the I-395 expressway.

Senator D'AMATO. Who owns those?

Mr. KENNICKELL. D.C. government.

Senator D'AMATO. They are under lease from D.C.?

Mr. KENNICKELL. Yes, sir.

Senator D'AMATO. What is the estimated cost of this parcel?

Mr. KENNICKELL. About $1 million.

Senator D'AMATO. About $1 million. Who owns this parcel?

Mr. KENNICKELL. D.C. government.

Senator D'AMATO. Have they evidenced desire to sell it to you?

Mr. KENNICKELL. Yes, sir.

Senator D'AMATO. OK.

Mr. KENNICKELL. We would fund our land purchases out of the revolving fund.

Senator D'AMATO. That is a good and reasonable request. You are not going to go underground; you are not going to build a three story?

Mr. KENNICKELL. No, sir; not on this property.

EXECUTIVE BRANCH PRINT SHOPS

Senator D'AMATO. You are doing a good job. I had a question here about the union vote and you showed the result to me. For the record, it revealed an overwhelming approval. I would also like you to respond to the record with respect to what the House response has been in regard to elimination of 50 percent of the field offices. Didn't you meet with a certain Congressman?

Mr. KENNICKELL. Sir, we haven't been asked—oh, I know what you are talking about.

Senator D'AMATO. Didn't you write to Chairman Whitten requesting a 50-percent reduction in the number of printing and duplicating facilities operating for the executive branch?

Mr. KENNICKELL. Yes, sir.

Senator D'AMATO. Did you get a response?

Mr. KENNICKELL. Not directly, sir.

Senator D'AMATO. What did you get? Do you have a letter?

Mr. KENNICKELL. I have a letter for you, sir, requesting that the Senate also look into this. I propose that if the executive branch, which has somewhere around 900 printing and duplicating facilities scattered throughout the continental United States, just eliminated half of these it would mean that the Federal Government would save $150 million each year from now on. We would buy the printing that was done in those plants from the private sector; from taxpayers.

CORRESPONDENCE, PREPARED STATEMENT, AND SUBMITTED QUESTIONS

Senator D'AMATO. I am very much interested in your letter, and we will take due consideration of it and your recommendation. You keep doing that good job. Thank you very much.

Go catch your plane.

[The correspondence, statement, and submitted questions follow:]

LETTER FROM RALPH E. KENNICKELL, JR., PUBLIC PRINTER

APRIL 29, 1985.

Hon. JAMIE L. WHITTEN,
Chairman, House Appropriations Committee,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: One of the primary responsibilities of a public official is the identification and elimination of duplication of effort and the waste of taxpayer funds. Since my appointment as Public Printer I have continued to voice my concern regarding the number and location of nonessential executive branch printing and duplicating facilities nationwide.

The need for action is apparent in that the executive branch operates about 850 printing/duplicating facilities within the 48 mainland States and an additional 200 facilities worldwide. Annual expenditures for these operations exceed $379 million with a work force of 8,985 civilian and military personnel. For the most part, these in-plant operations are engaged in routine administrative work that can be commercially purchased at half the cost of in-plant operations.

In 1983, at the request of the Office of Management and Budget, the GPO drafted a survey resulting in the identification of 1,025 printing and duplicating facilities worldwide. Many facilities were operating in major metropolitan cities in the United States with access to commercial printing sources. Geographically, it was found there were 79 printing and duplicating facilities within the District of Columbia, 9 in Atlanta, 7 in San Francisco, 10 in Chicago, 12 in Charleston, and 7 in New Orleans.

Recommendations for the closure of some 250 such facilities were provided OMB by the GPO. Appeals, challenges, missed deadlines, stalls, and other tactics resulted in the actual closure of only 70 executive branch operations over the past 2 years. Attempts to critically examine each of these operations result in "paralysis by analysis." There simply is not the time or manpower available to continually refute the self-serving responses received.

Philosophically there is no justification to do work in the executive branch that can be accomplished by the private sector at half the cost. The subject of these plants has been addressed by the Grace Commission and at least two reports have been issued by the General Accounting Office calling for their closure or reduction in size.

When the GPO issues a commercial printing procurement contract to the private sector for this work, it results in moneys being circulated in that community through space rentals, locally purchased supplies, improved employment levels, increased business tax revenues, and an opportunity for small businesses to expand their operations. The GPO issued some 307,000 orders for commercial printing last year resulting in $520 million in payments to private sector printers.

In the past, congressional efforts to control the overall costs of printing have been attempted through mandatory reductions in object class 24 appropriations. These mandatory cuts in expenditure levels have resulted in additional work being driven into the agency printing/duplicating facilities at increased costs. The agencies simply reprogram their available moneys to the salaries and expenses [S&E] accounts and generate even more printing.

There is no argument that there is a certain level of conventional ink-on-paper capability absolutely vital to the national defense and for mobilization purposes. There are also vital intelligence plants within the executive branch that must maintain their capability as well as shipboard plants. However, it is possible to dramatically reduce the total number of these plants without impacting national security.

The GPO has in place a nationwide network of regional printing procurement offices capable of meeting increased executive branch requirements. We have a commercial printing procurement bidding list of more than 10,000 private firms ready and willing to bid competitively on this work. The standard procurement documentation is in place and known by commercial bidders. It is possible to reduce total Government costs in this area by more than $150 million a year, provided action is taken during the forthcoming appropriations cycle. The GPO is prepared to make necessary adjustments to our procurement operations to accommodate the increased workload by plant closures. Practically all of the printing diverted from the executive branch plants would be commercially procured in the geographic area of those plants.

It is proposed that your office, through markup and appropriation language, specifically deny funding so as to reduce the number of executive branch printing/duplicating facilities by 50 percent in the United States during fiscal year 1986.

I am prepared to meet with you and your staff to discuss this approach to resolve this duplication of effort and needless taxpayer burden.

Sincerely,

RALPH E. KENNICKELL, JR.
Public Printer.

Agency	Number of plants	Employees	Cost
Commodity Futures Trading Commission	1	1	$88,000
Department of Agriculture	72	224	9,822,000
Department of Commerce	23	247	12,637,000
Department of Defense (Office of the Secretary)	25	931	39,425,000
Department of the Navy	146	1,821	76,499,000
Department of the Army	336	2,007	88,107,000
Department of the Air Force	155	1,242	46,046,000
Department of Education	1	4	176,000
Department of Energy	61	407	15,859,000
Department of Health and Human Services	12	199	8,441,000
Department of Housing and Urban Development	1	23	991,000
Department of Justice	19	147	7,198,000
Department of Labor	1	29	1,131,000
Department of State	1	44	1,989,000
Department of the Interior	17	171	7,928,000
Department of the Treasury	24	82	4,046,000
Department of Transportation	7	96	4,648,000
Environmental Protection Agency	3	16	682,000
Export-Import Bank	1	2	91,000
Federal Communications Agency	1	24	810,000
Federal Emergency Management Agency	1	3	250,000
Federal Energy Regulatory Commission	1	19	1,003,000
Federal Trade Commission	2	12	507,000
General Services Administration	22	249	15,294,000
Interstate Commerce Commission	1	17	1,137,000
National Aeronautics and Space Administration	13	191	6,197,000
National Labor Relations Board	1	14	611,000
National Science Foundation	1	7	582,000
Nuclear Regulatory Commission	1	6	425,000
Office of Personnel Management	5	27	1,036,000
Railroad Retirement Board	1	9	377,000
Securities and Exchange Commission	1	10	470,000
Small Business Administration	1	5	234,000
Smithsonian Institution	1	10	313,000

The data above was extracted from individual reports provided the Office of Management and Budget in 1983. Cost data, plant personnel, and number of locations was extracted from those reports. They were certified true and accurate by individual agency budget officials before submission to OMB.

Cost information was based upon actual costs in 1982 as reported by agencies. Projections through fiscal year 1984 indicate a 5 to 7 percent acceleration in each facility.

Though it is reported some 70 facilities have been closed as a result of OMB action, documentation is not available to support those closings.

This information is provided as a guide and may not reflect actual conditions in individual agencies at this date.

STATEMENT OF RALPH E. KENNICKELL, JR.

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

My colleagues and I are pleased to be here today to present the funding requirements necessary to carry out the responsibilities of the U.S. Government Printing Office for fiscal year 1986.

BUDGET REQUEST

The funds requested for fiscal year 1986 total $122,268,000 to cover those programs that require appropriations directly to the Government Printing Office. The request consists of $78,900,000 for printing and binding required by Congress, $14,500,000 for printing and binding required by law to be distributed without charge to the recipient, and $28,868,000 for various programs of the Superintendent of Documents. In addition, we are requesting a pay raise supplemental of $109,000 for fiscal year 1985 for the Superintendent of Documents. The total fiscal year 1986 request is a .5 percent DECREASE from the amount approved in fiscal year 1985. This is the second consecutive year in which GPO has been able to request an overall reduction in new budget authority, as GPO continues to transfer the benefits of our improving financial condition to our customers, and ultimately, to the American taxpayer.

Our estimate for the Congressional Printing and Binding Appropriation for fiscal year 1986 is a reduction of $1.9 million, or 2.4 percent, from the amount approved last year. This is primarily the result of a reduction in our projected rates for producing congressional work. Our estimate for the Printing and Binding Appropriation for fiscal year 1986 is an increase of $1.3 million, or 9.8 percent, over the amount approved for fiscal year 1985. This is primarily due to a projected volume increase in the Congressional Record Program, which is normally expected in a second session of Congress. We have been able to hold our fiscal year 1986 budget request for the Superintendent of Documents to the level approved last year, while continuing to improve the services provided to the Depository Libraries. This is made possible through improved management and increased productivity.

PRINTING AND BINDING INCOME

In fiscal year 1984, revenue from printing and binding operations of the Government Printing Office totaled $771 million, compared to $663 million in fiscal year 1983. This is an increase of $108 million, or 16.3 percent, from the previous year. Net income totaled $15.7 million in fiscal year 1984, compared to $4.1 million in fiscal year 1983. The significant increases in revenue and net income are primarily the results of increased workload, improved productivity, and the application of new technology. Central plant operations, regional printing, central procurement and regional procurement all showed significantly improved operating results compared to the previous year.

Fiscal year 1984 saw the setting of an all-time record in the number and total dollar value of the commercial procurement actions processed by GPO's Printing Procurement Department. Approximately 307,000 such actions were handled last year, an increase of 10 percent over the previous year. This required the placement of additional personnel in our regional printing procurement offices to cope with the expanding workload. This activity demonstrates GPO's continuing commitment to utilize private sector printers to obtain the Government's graphic arts needs at the most competitive price.

GENERAL SALES PROFIT

Total revenue from the sales program in fiscal year 1984 was $59.4 million, an increase of $2.4 million over fiscal year 1983. Net income was $6.1 million, a $700,000 decrease from the prior fiscal year. I am especially pleased to report that we are on the threshold of eliminating the $20 million loss our publications sales program accumulated between 1978 and 1981. Since fiscal year 1982, the program has earned back a total of $17.8 million. This achievement can be attributed to the adoption of the recommendations of an interagency Task Force on Documents Pricing, which resulted in improving customer-oriented sales policies and procedures. It can also be attributed to the implementation of a marketing program, which utilizes public service announcements, nation-wide mailings of sales catalogs, and a variety of other techniques for bringing GPO's sales program to the public's attention. Finally, this financial turnaround can also be attributed to a sustained effort to modernize and improve sales program operations, particularly inventory management.

The bookstores, an integral part of the sales program, showed an improved financial performance. Sales were up from $7.5 million in fiscal year 1983 to $8.6 million in fiscal year 1984. This resulted in bookstore net income of $1.1 million for fiscal year 1984 compared to $1 million for the prior fiscal year.

MARKETING EFFORTS

The Marketing Department has now been incorporated into the organization of the Superintendent of Documents. This transfer will improve the coordination of marketing programs designed to sell Government documents and promote awareness and use of our nation's Depository Libraries. At the same time, it will still allow marketing services to be provided to other GPO organizations needing to develop "outreach" programs and improve services.

About 2.2 million copies of the U.S. Government Books catalog have been distributed. It is estimated that more than 1 million of these copies were distributed to persons with limited previous exposure to Government publications, through requests generated by our broadcast and print-media Public Service Announcements (PSA's). It is estimated that the ad space and air time donated for the GPO PSA's by one network alone would have cost several million dollars, if purchased.

Four of the television PSA's promoting the availability of the U.S. Government Books catalog will be released through a vendor to cable TV networks and stations. In addition, a poster will be produced in two versions, one for libraries and other public buildings and locations, and another version for GPO bookstores, to promote requests for the U.S. Government Books catalog.

The Direct Mail program has completed 21 promotions, and distributed a total of 1.7 million self-mailers and envelope mailings. Promotions were undertaken to solicit orders for the U.S. Code, to encourage renewals to a variety of subscriptions, and to offer specially tailored selections of publications to targeted professional groups. Overall, this program produced gross revenues almost three times more than expenditures. The data obtained from the initial series of Direct Mail promotions will be used to tailor follow-up mailings to the most responsive audiences.

In addition, over 100 meetings with agency officials have been conducted to arrange for cooperative marketing programs, to provide advice concerning the marketing programs of those agencies, and to plan promotion projects for individual titles. A study of the opportunities for enhanced sales and consideration of possible relocations of GPO bookstores will be undertaken in cooperation with other areas of GPO. The marketing of GPO bookstores will be significantly expanded and improved.

The Marketing Department has also launched a major campaign to increase public awareness of the Depository Library program. Aimed at educating the public about the availability of Government publications at the nearly 1,400 Depository Libraries across the nation, this campaign consists of a series of PSA's to be broadcast free of charge by radio and television stations. In addition, a series of print-media PSA's will be completed and distributed. Approximately 15,500 sets of PSA reproducibles will be distributed to the national news media, as well as professional and scientific publishers.

OPERATIONAL IMPROVEMENTS

In an effort to improve responsiveness to our customers' needs, GPO is implementing a new facility at the former Departmental Service Office, featuring a walk-in center for the quick turnaround production of small graphic arts jobs. Renamed the Rapid Response Center-National Capital Area, this facility will serve the needs of Government agencies in the

Washington metropolitan area. It will offer a wide variety of in-plant printing and duplicating, as well as commercial printing procurement services. Existing equipment inventories at the center are being upgraded, reflecting our continuing desire to meet the printing and publishing requirements of our customer agencies as quickly as possible.

We continue to upgrade GPO's in-plant production capabilities as part of our on-going effort to remain at the forefront of technological progress, thus providing our customers with the broadest possible range of product and service options. Last year, for example, GPO's phototypesetting system was expanded and improved. We can now produce high quality bar charts, histograms, connected curve plots, and a wide variety of graphs onto photographic material. Our customers can use this option by providing their own drive tapes containing the plotting data for the graphs. We have also recently upgraded our phototypesetting system with the addition of a 70-mm camera, which allows GPO to go from computer to plate in a multitude of imposition formats more efficiently. In addition, GPO is in the process of procuring a high-speed fiber optic communications link between a computer at GPO and computers operated by the U.S. Senate and the House of Representatives. This system will speed the transfer of printing between GPO and various congressional offices.

GPO's customer-oriented approach was evidenced by our cooperation with the U.S. Postal Service in the development of the new 9-digit Zip Code directories. Suggestions from GPO's Graphic Systems Development Division and Printing Procurement Department resulted in major improvements in the projected production effort, reducing the estimated number of pages by a full 25 percent, from 57,000 to 43,000.

In a major effort to cut Government costs, GPO's Printing Procurement Department devised and implemented a simplified contracting procedure to help customer agencies meet their shortrun duplicating requirements. Called the "agency direct-deal/contractor direct-bill" contract, this new procedure permits the participating agency, rather than GPO, to process the bills for work placed against the contract. GPO charges a one-time fee for the establishment, placement, and award of the contract and retains contract administration responsibilities. Approximately 30 such contracts are in place at this time, representing about $7.5 million in annual billings for small, commercially-operated duplicating and quick copy firms. Annual volumes on these contracts range as high as 500 million pages, resulting in a cost to the Government of slightly more than 1 1/2 cents per page, less than half the cost incurred in agency-operated duplicating facilities.

GPO's productivity gains for fiscal year 1984, as measured under guidelines established by the Bureau of Labor Statistics, reflected an agency-wide improvement in efficiency. Total GPO productivity was up 10 percent over last year, resulting in a 5.4-percent decrease overall in unit labor costs. The chief reason for this performance record was a 15.2-percent productivity increase in the Production Department. The Printing Procurement Department showed a productivity increase of 2.[illegible] percent over fiscal year 1983. Productivity in GPO's regional printing plants, after registering a decline in fiscal year 1983, increased by 9.7 percent last year. Productivity in the Documents area continued the positive trend of the previous year, although by a smaller margin.

Technological advances and other cost-cutting actions also resulted in reductions in the rates GPO charges customer agencies for printing in the Federal Register and the Code of Federal Regulations. Effective October 1, 1984, the rate for the Federal Register was cut from $408 to $390 per page. A decrease in keyboarding requirements due to improved technology permitted us to reduce the page rate for the Code of Federal Regulations from $60 to $55, effective January 1, 1985.

NEW NEGOTIATION AUTHORITY

During fiscal year 1984, GPO procured in excess of $550 million of printing, binding, and related services. The GPO is essentially the exclusive purchaser of such goods and services for the Government, with over 300,000 contracts let during fiscal year 1984. The overwhelming majority of these contracts were formally advertised, with lowest price being the determining factor for award to responsible and responsive bidders.

GPO procurement activity is governed by the provisions of law which require formal advertising, except for: small purchases; when the public exigencies require immediate delivery; when only a single source of supply exists; or when a contractor is to perform professional or technical services. By contrast, under the Federal Property and Administrative Services Act, most Executive Branch agencies have fifteen exceptions to the advertisement requirement; and the armed services and the National Aeronautics and Space Administration (NASA) employ seventeen exceptions to formal advertising. It is requested that GPO be permitted to utilize one of the exceptions to formal advertising which presently is available to all Executive Branch agencies, but which is not now available to GPO.

The effect of this proposal is to retain the existing general exemption to the Federal Property and Administrative Services Act enjoyed by GPO and to allow GPO to procure without formal advertising if "it is impracticable to secure competition by formal advertising". This new exception is to be used when it is impossible to draft adequate specifications or any other adequately detailed description of the required property or services to be included in an invitation for bids.

It is important to note that procurements under this exception will continue to involve competition, and that relative prices will be a crucial selection factor.

Generally, this exception would be involved in the procurement of extremely complex systems or products which could be configured in a variety of ways to meet the minimum requirements of the GPO. Negotiation would be used to reveal the greatest value to the Government in terms of performance, timely delivery, quality, utilization of state-of-the-art technology, alternative technical and production plans and approaches, and prices. The flexibility incident to negotiation is the only means by which these factors can be evaluated and adjusted adequately.

The recent rapid advance in printing technology and the advent of computer-based storage, retrieval and printing systems make this addition to GPO's procurement authority absolutely necessary. GPO procurements are becoming increasingly more complex, and customer agencies now have systems requirements which must incorporate the latest state-of-the-art processes and equipment. Without this exception to formally advertised procurement, GPO will be unable to fulfill these rapidly expanding needs of its customers. Indeed, GPO customers indicate that state-of-the-art publication systems procured under this authority will save them tens of millions of dollars in publication costs annually.

FUTURE DIRECTIONS

As the new Public Printer, I would like to reassure this Committee that I intend to continue this movement towards improving the Government Printing Office. Accordingly, I have filled vacant positions, reorganized certain departments, and created new offices; all with the single objective of attaining the strategic goal of transforming GPO into a demand-driven, service-oriented agency.

I like to refer to our organization as the "New GPO", but in reality this concept is nothing more than getting back to basics. I want to rekindle in our employees a pride of workmanship. I want our employees to be proud of the place where they work and the products and services produced here. I intend to be more responsive to the needs of Congress, the Executive and Judicial Branches of government, and at the same time keep our costs to a minimum.

I have moved aggressively to improve the overall morale of the employees at GPO. I encourage open communications both upward and downward in our organization and I hope, thereby, to benefit from the experience and knowledge within GPO. At the same time, the newly created Innovation and Development Staff will provide a logical structure for the introduction of new human resource, electronic and mechanical technologies into GPO. In this way, I hope to use the best expertise in both the public and private sectors to solve some of the problems which still exist at GPO.

GPO is in the midst of a revolution-call it what you will: the Second Industrial Revolution; the Electronic Revolution; or the Information Revolution. Nowhere has this revolution been felt more keenly than in the printing and publishing industry, where it is being driven by rapidly accelerating improvements in computer hardware and communications capabilities. The net result of these improvements is that information itself-the content of books, reports, and journals-now can be stored in large quantities, reproduced in a greater variety of forms, and sent virtually anywhere we want faster, cheaper, and with more product diversity than anyone could have imagined just five years ago.

We at GPO have been watching these revolutionary changes closely because the Federal Government is perhaps the largest and most demanding information-intensive enterprise the world has ever seen. The business of governing depends on accurate and timely information, not only for the three branches of the Government but for the American public as well. Accurate and timely information in turn depends on effective and efficient information systems. As the Government's largest single information reproducer and disseminator, GPO must take advantage of the benefits that modern computers, micrographics, and other advanced information technologies have to offer, if it is to serve the needs of its customers in the most effective manner possible.

As GPO looks to its future, its mission will remain unchanged. The various methods, processes, and techniques we employ to perform that mission, however, are bound to evolve if we are to meet the challenges of the Information Age. Our expanding commitment to customer service through our marketing outreach activities, our planned Rapid Response Center, and improved procurement techniques is our initial response to this challenge. We will continue to search for more effective and efficient ways of conveying Government information to the public. Throughout all of GPO's operations, providing high quality products and better service at lower cost to the American taxpayer will be the yardstick against which the success of our efforts will always be measured.

I have committed GPO to the future as a demand-driven, service-oriented agency. I will be happy to respond to any questions you may have.

Questions Submitted by Senator D'Amato

Question. As you may know, the budget resolution adopted by the Senate assumes savings resulting from a 10 percent reduction in Legislative Branch spending. What would be the impact of a 10 percent reduction from your FY 1985 level and from your FY 1986 request?

Answer.	Appropriated FY 1985	After 10% Reduction
Congressional Printing & Binding	$ 80,800,000	$ 72,945,000
Printing and Binding	13,200,000	11,655,000
Salaries and Expenses	28,868,000	25,981,000
Total	$122,868,000	$110,581,000

	Requested FY 1986	After 10% Reduction
Congressional Printing & Binding	$ 78,900,000	$ 72,405,000
Printing and Binding	14,500,000	11,655,000
Salaries and Expenses	28,868,000	25,981,000
Total	$122,268,000	$110,041,000

These reductions amount to $11,687,000 for a 10 percent reduction from the FY 1985 appropriations and $12,227,000 for a 10 percent reduction from the FY 1986 request. In the case of the Government Printing Office, a reduction from the FY 1985 level would result in somewhat larger total appropriations than a reduction from the FY 1986 request. This is because GPO has requested a reduction of about 0.5 percent from the FY 1985 level. These reductions would be incorporated into our estimates in the following manner:

	Reductions to Request
Reduction in the Salaries and Expenses Appropriation based primarily on assuming a continuation of the recent downward trend in the number of copies distributed to depository libraries	$2,887,000
Eliminate funding for the Bound Congressional Record included in the requests for Congressional Printing and Binding and Printing and Binding	$4,452,000
Eliminate the anticipated wage increases included in the requests for Congressional Printing and Binding and Printing and Binding	$3,580,000

	Reductions to Request
General reduction in the Congressional Printing and Binding request necesary to achieve a 10 percent reduction for GPO from the FY 1985 appropriations	$768,000
Additional general reduction in the Congressional Printing and Binding request necessary to achieve a 10 percent reduction for GPO from the FY 1986 request	$540,000

Question. According to your testimony, you are now in the process of procuring a fiber optic link between computers at GPO and some operated by the Senate and House. Since this is the first we've heard of this project, please provide us additional detail and background information.

What is the procurement, installation, and maintenance cost of this project? From what account will these funds be provided?

Answer. The estimated cost of the project is $60,000 with an additional $4,500 for yearly maintenance. Funds will be provided by the Revolving Fund.

Question. When will the connection be established with your Senate customers? With the House? Who are those customers? Do you envision more?

Answer. The connection will be established with both the Senate and the House 60 days after contract award. The customers are the Office of the Legislative Counsel of the Senate and the House Information Systems. The fiber optics communication links will be installed only between Senate and House text editing systems and GPO text editing systems. There is a possibility of more links dependent upon the level of success with these two installations.

Question. Under what authority are you proceeding with this procurement? When was approval granted for you to proceed?

Answer. Approval was granted January 18, 1985, by the Joint Committee on Printing.

Question. What service improvements can we expect to realize with completion of this project? Do you anticipate cost reductions as well?

Answer. Improvement in service and easier transfer of data files between Congress and GPO will be realized. Because of the reduction in time required to process fewer magnetic tapes in the Production Department, increased efficiency and savings will be achieved.

Question. You are requesting an administrative provision allowing you to make procurements without formal advertisements "if it is impracticable to secure competition by formal advertising." Can you cite specific examples of when the absence of this exception has complicated your procurements, and why those episodes justify your request for this change in law?

Answer. Several of our recent and ongoing procurements involved integrated publishing systems. These are systems procurements which include electronic photocomposition, storage retrieval, printing and distribution. The requirements are such that technical proposals are necessary to accurately describe the system proposed and for our subsequent determination of that proposal which represents the best value to the Government. The specifications are such that they cannot be defined precisely enough for formal advertising without being unduly restrictive of competition. In order to assure an acceptable solution to our printing needs, discussions with the responding contractors are essential.

Question. It is my understanding that you have written Chairman Whitten of House Appropriations requesting a fifty percent reduction in the number of printing and duplicating facilities operated by the Executive Branch. Perhaps you would like to take this opportunity to present us with some of the arguments supporting your request. We will print the full text of this letter in the record.

Answer. I feel that this is an important matter for committee attention because it is an opportunity to achieve savings without reductions in service. I have furnished the same letter to you as the one sent to Chairman Whitten. I appreciate your printing it in the record.

Question. Given all your improvements in automation and information technology, why do we continue to see increases in the unit cost of the Congressional Record program? When can we expect to see cost reductions?

Answer. The improvements in automation and information technology used for the Congressional Record production were phased in beginning in 1979. Automation from Hot Metal to Electronic Photocomposition of the Index was undertaken in 1979. Automation of the Digest, Extensions of Remarks, and Proceedings for both Houses was phased in over the next four years. Production of the Daily Congressional Record and Record Index on the new bindery line (Adhesive Binder) began in January 1983.

Estimated reductions in costs for all of the above have been factored in over the years to account for the savings expected from the use of new processes. For example, production of the Daily Congressional Record and the Congressional Record Index on the new bindery line is estimated to have reduced costs by about $6 per page. Furthermore, the new bindery line allowed us to eliminate one publication, the Bi-Weekly, at a cost savings of approximately $365,000 a year.

Question. Please provide us with a status report on your wage negotiations. Do you believe any changes in your negotiation procedures are necessary or advisable?

Answer. Pursuant to the provisions of Title 44 Section 305 U.S.C., wage negotiations were held with the Joint Bargaining Committee of GPO Unions, which represents ten GPO unions. An agreement was reached with the Joint Bargaining Committee on May 7, 1985, and subsequently ratified on May 15 by over 94% of the affected employees. On May 21, 1985, the agreement was sent to the Joint Committee on Printing for their approval.

The International Association of Machinists, Lodge 2135, is not a member of the Joint Bargaining Committee. They were offered the same wage and working conditions proposal as was accepted by the Joint Bargaining Committee. However, they chose to reject the offer. In accordance with Title 44 Section 305 U.S.C., I have appealed to the Joint Committee on Printing for a final wage rate determination for this group of employees.

I do believe that certain changes are necessary in the process used to set wages for GPO employees.

The GPO is one of 19 Federal agencies that negotiate wages. Approximately 95% of the total employees involved in wage negotiations work for the Postal Service and the TVA. The difference in wage negotiation at GPO and the USPS-TVA are the statutes that require their negotiators to develop comparable wage settlements based on private sector surveys. The critical point for negotiation in these agencies is survey methodology. The GPO has no such direction under the Kiess Act.

For many years there has been no systematic procedure for determining GPO wage rates. The only standard articulated by the Kiess Act was that wages be "in the interest of the government and just to the persons employed." In 1940, a formula was agreed upon which included a 24-city wage survey. This approach was suddenly abandoned in 1978 because of disagreement over survey scope and methodology. Since 1979, GPO management and labor have been at impasse on two occasions and the JCP has had to dictate the wage increases. The incentive for reasonable negotiations is reduced by the fact that the negotiators can fall back and dump the whole problem on the JCP.

It is obvious to me that the guidance of the Kiess Act is no longer adequate for the task at hand. I endorse the concept of new statutory guidance that would define a precise formula for GPO craft wages. This formula would be difficult, at best, to create and must consider the many variables affecting the GPO crafts, such as the uniqueness of the total operating system at GPO.

To help bring about the necessary changes, the Joint Bargaining Committee of GPO Unions has agreed with my proposal to establish a Joint Labor-Management Study Group. Its function will be to review GPO's wage procedures and issue its findings and recommendations by December 31, 1985.

Question. You are requesting a $28,700 increase for travel in your Salaries and Expenses account. What necessitates this 32% increase?

Answer. In order to fully meet our goal of inspecting each depository library once every three years, to hold and attend Depository Library Council meetings, and to allow for the Superintendent of Documents to travel to American Library Association meetings, Depository Library Council meetings, and other necessary functions, the Government Printing Office requests this increase in the travel restriction of the Salaries and Expenses Appropriation.

Most of the increase in travel is for the inspection of depository libraries. In FY 1983 we inspected 231 depository libraries and in FY 1984 we inspected 232. Our goal, however, is to inspect each depository library once every three years, or approximately 465 libraries each year.

Inspections during FY 1983 were halted for a period of three months due to concerns over expenses exceeding the travel restriction of $88,300, a restriction that has not been raised since 1972. In FY 1984, two library inspectors resigned in June, (one-half the work force), and were not replaced for the rest of the fiscal year. This action reduced the number of libraries inspected significantly.

For FY 1986, we plan to have a full staff of four inspectors and one chief inspector. In order to fully meet our goal to inspect all depository libraries in an expedient manner, we will need an increase for travel of $28,700. A reduction to the request would not allow us to meet this goal.

QUESTIONS FROM SENATOR BUMPERS FOR THE PUBLIC PRINTER

Question. The FY 1986 GPO Budget Request is $43,368,000 for the Salaries and Expenses and Printing and Binding appropriations combined, an increase of $1,191,000 over the amount anticipated for FY 1985. In addition, the request for Congressional Printing and Binding is $78,900,000, a decrease of $1,900,000 below the amount appropriated for FY 1985. Overall, there is a net decrease of some $700,000 proposed for FY 1986 for the programs of the GPO, under the direction of the Public Printer, Mr. Ralph E. Kennickell, Jr. I understand this is the second year in a row in which the Budget of GPO is showing a decrease, which is refreshing, to say the least. Please briefly explain your efforts to accomplish these savings. Do you anticipate additional savings in the future?

Answer. Most of the savings we have been able to achieve over the past several years have been due to increased automation and the use of the more efficient technology becoming available in the industry. These developments have allowed us to increase productivity and to reduce our employment levels. I do see a continuation of these increases in efficiency, which should allow us to continue to absorb most of the anticipated inflationary increases and other mandatory items over which we have little or no control.

Question. Do you have any suggestions with regard to ways the entire Federal Government may reduce the burden of printing expenses?

Answer. The most immediate and effective action is included in my letter to Chairman D'Amato, as inserted in the record, regarding the closing of certain agency printing plants. The Executive Branch of Government operates over 1,000 printing/duplicating facilities, more than 850 of which are within the 48 mainland States. The work that is being accomplished in those plants can be commercially procured at half the cost of in-plant operations. The GPO recommends that at least half of those facilities be closed and that work be purchased commercially through GPO contracts. It is possible to save $150 million each year if half of those plants were closed.

Another area where overall savings can be achieved is through judicious use of time in scheduling printed work. In our business time is money. The longer the lead time to delivery...the better the price. We would ask all agencies to provide more time for delivery of the completed product.

Question. Briefly, what are the GPO's intentions with regard to the purchase of additional land?

Where is the land?

For what purposes would it be used?

Is there any opposition or support for these actions in the local community?

Answer. GPO is proposing to purchase two parcels of land. The authority to purchase one parcel was included in our FY 1985 appropriation, but settlement has not taken place. This is a triangular piece of land bounded by New Jersey Avenue and the western property line of GPO between G and H Street. This will provide parking, close to the GPO, for our night shift employees.

The second parcel was made available to GPO through an unsolicited proposal from the Department of Housing and Community Development of the Government of the District of Columbia, indicative of local government support for the purchase. This parcel is bounded by Massachusetts Avenue and the southern property line of GPO, between North Capitol and First Street.

GPO needs to purchase this additional parcel so that it will be available for future consolidation of GPO facilities into our Central Office complex. Its proximity to GPO and Capitol Hill is invaluable to the federal government. Very little land is available in this area and if the opportunity to purchase this land is missed, it may not be available again. If the federal government should later decide to dispose of this property, it should have increased in value over time and would result in a net increase to the government. GPO is presently leasing office and warehouse facilities throughout the Metropolitan Washington area and this land will offer us options for relocation and consolidation of our operations. In addition, we currently lease most of this property for parking for GPO employees. Therefore, the immediate use to be made of this land will be as a temporary parking lot for GPO employees. The area would allow us to accommodate about 100 additional vehicles and would decrease our current dependence on other leased parking lots. We have been informed that our lease on parking lot number 8, which accommodates 360 spaces, will be canceled on July 1, 1985.

Question. Some years ago, at the request of this subcommittee, It was revealed that many of the documents printed at the GPO were being shipped to the libraries of foreign countries under the provisions of an obscure treaty agreed to in the last century. I am advised that under the provisions of this treaty, such documents as our Lance Missile manual were being shipped postpaid to the Lenin Library in Moscow. Other military documents were being shipped to Cuba, the People Republic of China, and North Vietnam. Supposedly, this practice was stopped. Would you please review this matter and provide an update for the record?

Answer. The International Exchange Program is administered by the Library of Congress and provides for the interchange of publications between the United States and designated foreign partners. GPO assists the Library of Congress by providing copies of GPO printed publications for distribution to the International Exchange foreign partners. The provisions of 44 U.S.C. 1902 that excepts "publications classified for reasons of national security" from domestic depository distribution, also applies to International Exchange distribution. Hence, when a government agency classifies one of its publications for reasons of national security, that publication will not be distributed to U.S. depository libraries or to International Exchange partners. Therefore, publications are distributed under the International Exchange Progam, unless they are classified for reasons of national security by the originating agency.

Currently, the U.S.S.R., People Republic of China, Czechoslovakia, Yugoslavia, and the German Democratic Republic (East Germany) receive all publications distributed under the International Exchange Program. Bulgaria receives a partial set, and the Republic of Cuba receives only the Congressional Record. The Socialist Republic of Vietnam does not receive materials under the program.

The exchange with Iran ceased in December 1979 as a result of the embargo imposed by the President. The exchange with Cuba and the Soviet Union was suspended with the passage of Public Law 96-369, making continuing appropriations for the fiscal year 1981. Mailings were resumed when the prohibition was terminated by the provisions of P.L. 96-536, making further continuing appropriations for fiscal year 1981.

The House Report indicated that, while the Committee on Appropriations remains concerned that sensitive materials have been exchanged under the International Exchange program, written assurances were submitted from U.S. security agencies that past practices have been reviewed, and that sensitive materials will not be made available for the exchange program.

GENERAL ACCOUNTING OFFICE

STATEMENT OF CHARLES A. BOWSHER, COMPTROLLER GENERAL OF THE UNITED STATES

PREPARED STATEMENT

Senator D'AMATO. Mr. Bowsher, we will accept your statement as if it had been read in its entirety and ask you to summarize the high points.

[The statement follows:]

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STATEMENT OF CHARLES A. BOWSHER

Mr. Chairman and Members of the Subcommittee. I am pleased to discuss GAO's budget request for fiscal year 1986. The Justification of Estimates for that year, which you already have, describes our request in detail.

In FY 1986 we are requesting $339.6 million to fund 5,250 staff years. This will provide funding for 150 staff years over those authorized in FY 1985. It is a step toward achieving the 5,500 staff year level which--barring budgetary constraints--will permit us to properly fulfil GAO's total responsibilities.

I am sensitive to the problems we face this year with the federal budget and I realize that there will need to be difficult decisions made regarding the distribution of very limited resources available to the Legislative Branch. Even in light of this, I do not believe that it is inconsistent that GAO is requesting additional resources.

The value of GAO's work will be of special importance in the next few years as we look for ways to trim deficits and improve the effectiveness of government programs. GAO's organization must be initiatives in high priority areas where the Congress needs our assistance. I might take just a moment and update you on the status of some of these key concerns.

--We have established the Information Management and Technology Division to evaluate the application of information management resources, including computers and related systems in federal agency operations. We have not yet been able to fully staff this organization and, therefore, do not presently have in our inventory all of the skills we need to do the full range of work facing us over the next few years. We have been sucessful in developing a core of capability, but much is left to be done. It takes time to find the right people and hire them, and if we must rely on attrition to give us opportunity to build our skills in this area we will not have the flexibility we need to build a strong capability in a reasonable amount of time. The problems are facing us today, and it is imperative that we begin to build strong technical analytical capabilities.

--The National Security and International Affairs Division has also been functioning over the past year to provide an increased focus on a growing defense establishment. We have made some positive progress in our defense work, but as more resources have been applied to defense programs, our work in reviewing, evaluating and auditing their results has had to increase. I think it will continue to be important through the next four years at least to insure a strong audit and evaluation capability of defense programs.

The committee recognized the importance of our needs in the defense area last year, and we have proceeded to use the resources allocated by the committee for defense work to strengthen our audit program. There is still much more that needs to be done, however, and in our request today we are proposing that our defense work be further augmented to cover essential work in a rapidly growing area.

--We have also made some changes in our Accounting and Financial Management Division to address some significant financial management issues that are now and will be facing the Congress over the next few years. Many of the government's financial management systems are antiquated and lack the necessary controls to properly deter fraud, waste and abuse of government resources. GAO will need to play a major role in the overhaul of the federal government's financial management structure and in determining what is needed to serve the needs of government and the public in the last decade of the twentieth century and beyond. If we are to fully comply with the intention of the Federal Managers' Financial Integrity Act of 1982, we will need to increase our emphasis and focus on promoting effective federal agency accounting and financial reporting.

In order to meet the demands placed upon us and meet the high standards of quality and dependability that the Congress expects, several operational changes have occurred which I believe significantly contribute to our ability to reach our objectives.

--As you know from our hearings last year, we established an Office of Quality Assurance to help us implement systemactically a quality review process which would help ensure the reliability, responsiveness, and effectiveness of our work. We have now transferred OQA's report review responsibilities from OQA to four GAO divisions. We plan for the remaining 3 divisions to have that responsibility by the end of FY 1986. OQA staffing has been reduced in FY 1985 and will be reduced further in FY 1986.

--Design, methodology and technical assistance functions have been established in GAO's audit and evaluation divisions to assist in planning new job starts. These groups are staffed with people having a range of analytical skills which help assure that jobs are designed to use the proper evaluative techniques and technical tools in their execution.

--We have completed the first phase of the Post Assignment Quality Review effort we began last year. We found opportunities to strengthen our review policies, procedures and practices to help guarantee a credible product. We are now changing and adjusting policies where appropriate to incorporate findings of the review team.

We will continue to pursue these and other initiatives. We cannot slack off. GAO work must be consistently of the highest quality and remain credible when it is subjected to the kind of scrutiny that inevitably accompanies its use in connection with matters of major concern to the national interest and to the use of public funds.

GAO WORK IN FY 1984

Over the years GAO has consistently demonstrated that it saves the government many times the funds appropriated to it. In the last five years, savings attributable to GAO work totaled $27.8 billion.

These dollar savings are real, involving as they do budget reductions and collections in addition to better uses of applied resources.

For example, the Congress reduced the armed services' fiscal year 1984 ammunition budget by $440 million after GAO reported on several problems, including overstated costs and excessive ammunition inventory levels.

Another illustration involves the Deficit Reduction Act of 1984 which implemented GAO's recommendations that the Congress change the methods by which life insurance companies calculate their reserve deduction, taxable income, and the reevaluation of certain types of reserves. This action will result in increased tax revenues of some $300 million in its first year of implementation as well as by a similar amount in future years.

In another case GAO reported that a plan to upgrade older nuclear weapons would contribute little to further minimizing the risk of a nuclear accident and that new bombs currently scheduled for production could be used to meet operational alert requirements before the improved older bombs would be available. Action on this recommendation reduced the number of older bombs scheduled for improvement with estimated benefits of $256 million.

Additionally, much of GAO's work results in changes which improve the efficiency of program operations without attachment of a specific impact on public dollar value.

CURRENT AND FUTURE DIRECTIONS OF GAO WORK

We have recently completed a comprehensive reexamination of the planning for most of our work, which covers a 2 to 4 year period.

Illustrative of this approach are the following:

--Automatic Data Processing and Telecommunications - GAO is directing its work toward improving ADP and telecommunications operations in individual agencies and government-wide over the next two to four years. We will review the effectiveness of the systems that are in place in agencies and their internal controls to assess how well they support agencies' missions and their processing accuracy, timeliness and completeness. We also will review the need for new systems, how they are acquired and whether they can be expected to effectively achieve stated objectives. Examples of systems to be reviewed include IRS' automated tax processing systems, the military services' wholesale logistics systems, the FAA's air traffic control system, the military command and control systems, and the Social Security Administration's systems modernization plans.

GAO's government-wide work on automated systems will focus on issues affecting large numbers of agencies. The type of question we will pursue will include whether proven automated personnel systems can be adopted more often, whether improvements can be made in managing the skilled personnel todevelop and operate computer and telecommunications systems, and whether better ways exist for managing major systems modernization efforts. Currently, we are addressing issues associated with the government's acquisition and management of its telecommunication resources in the wake of AT&T's divestiture, the obsolescence of government computer software, and the potential for consolidating standard administrative systems such as military retired payroll and white-collar personnel systems.

—Defense - GAO work will continue to have both a service oriented and defense-wide focus. The service oriented approach will examine issues affecting each military service. Our future work in the Army will emphasize doctrine, force structure changes, and deployment issues. Air Force future work will emphasize issues associated with the modernization of both tactical and strategic forces and those associated with the military use of space. Navy and Marine Corps work will stress fleet expansion, nuclear weapons, and naval propulsion. In our work in each service we will also deal with sustainability and readiness issues.

Currently service-oriented work includes the Air Force's aircraft and missile development activities; the Army's M-1 Tank and other weapons systems; and the Navy's missile and torpedo development programs.

Issues to be examined on a defense-wide basis will include those associated with:

- the acquisition process and the pricing of weapons and weapons systems;
- command, control, communications and intelligence capabilities and the survivability and interoperability of C3I systems;
- military retirement reforms, meeting future manpower needs and the reserve/active force mix; and
- logistics as an element of military capability and supply and maintenance planning.

--Financial Management - The federal government needs a more modern and effective financial management structure. Many of the existing financial management processes and systems are obsolete and face ever-increasing difficulties in coping with the demands placed on them. So that congressional and executive branch officials receive timely, reliable, and consistent information for use in decisionmaking, GAO's work will concentrate on four key elements of reform:

- strengthened accounting, auditing, and reporting;
- improved planning and programming;
- streamlined budget process; and
- systematic measurement of performance.

Currently, GAO's work in improving financial management includes prescribing requirements for federal agencies; providing technical assistance to federal agencies in responding to new legislation, and other requirements; performing audits of federal financial mangement systems and statements; overseeing federal audit activities and interests; and defining the conceptual framework needed for a sound financial management structure. This past year GAO issued a report on its comprehensive review of 22 agencies' implementation of the Federal Managers' Financial Integrity Act. Current work includes continued assessments of progress of federal agencies in this important area.

--Financial Markets and Services - GAO's future work will focus on changes occurring in the financial services industry, in order to assure that:

- users of financial and related institutions are adequately served and appropriately protected;
- institutions and regulators can deal effectively with new market risks; and
- any necessary changes to the federal regulatory structure are properly evaluated.

In these areas we are currently examining changes in banking fees charged customers since the deregulation of interest rates; analyzing deposit insurance reform alternatives; and evaluating the Treasury bond dealer market to determine whether those dealers are adequately regulated and capitalized. Our goal is to assist in the significant legislative initiatives that will be taking place in the next two to four years.

--Food and Agriculture - This is the single largest component of the U.S. economy. It accounts for 20 percent of the nation's gross national product. However, the farm sector is currently plagued by production surpluses, growing government outlays for farm programs, declining agricultural exports, and rising farm bankruptcies. GAO work during the next two to four years will focus on issues involved with and the ways to improve:

. the farm financial condition and credit portfolios;

. the administration of crop assistance programs;

. markets and trade opportunities; and

. food assistance effectiveness.

We will work with authorizing, appropriations, and budget committees to help sort out the farm issues facing the Congress in its consideration of 1985 farm bill provisions as well as the 1989 farm reauthorizations. We will also help set the stage for future farm policy and program administration decisions. In this regard, we have recently issued reports on Payment-In-Kind, sugar, tobacco, and food stamp integrity. We are also preparing reports on dairy, marketing orders, and honey marketing. We have recently established an internal Task Force to look at the critical farm credit situation. This task force is identifying the farmers in financial distress by crop, size of farm, and location and will identify the causes of this distress. Close attention will be paid to the impact of reduced exports. Information will also be gathered on the financial health of the Farm Credit System and commercial banks serving agriculture.

--Health Care Costs and Quality of Care - Health Care containment is a continuing and growing issue facing this country. We must identify ways to contain health care costs while preserving access to quality care. GAO will analyze ways to control health financing costs through improvements and modifications to hospital and physician payment systems, identify cost effective alternatives to long-term institutional care, and examine other major issues critical to the developmentof a cohesive national strategy for containing health care costs. Currently, we are reviewing Medicare's new prospective payment system that pays hospitals about $45.0 billion a year. In the Medicaid area, GAO recently reported that the program annually pays from $500 million to more than $1 billion that private insurers should be paying. Our report identified two options that would improve Medicaid practices for recovering additional health care costs from available insurance resources.

Over the next two to four years GAO will identify ways to deliver health care in federal facilities more cost effectively, to eliminate unneeded planned facilities, and to modify existing ones to better serve program needs. We will also identify opportunities to enhance the effectiveness of the government's health regulation activities with particular emphasis on the Food and Drug Administration's post marketing surveillance activities for federally regulated products. We have several efforts underway to identify how DOD and VA can deliver federal health care more cost effectively. We are reviewing their programs and systems to assure that the quality of federally delivered health care meets accepted standards.

--Social Security - Probably no other federal program directly affects more Americans than Social Security. GAO is undertaking a number of integrated studies aimed at reviewing both agency operations and program financing. We will continue to study ways to improve Social Security Administration's service to the public, including an assessment of the accuracy of the $200 billion in benefits paid out annually. We are currently assessing how SSA measures payment accuracy and will shortly complete preliminary work on SSA's accuracy in posting and updating records of individual wage earners. We recently released a report which showed that SSA temporarily underpaid at least 2.5 million beneficiaries by about $2 billion because of delays in computing accurate earnings amounts. We will continue to evaluate Social Security's controversial disability program with emphasis this year on the implementation of the reform legislation passed in 1984. In addition, a comprehensive study of the Social Security Administration's management is now getting underway and we are continuing to monitor the replacement of the agency's antiquated computer system. Last year, we testified before the Congressional Panel on Social Security Organization and highlighted many areas where we feel operations can be substantially improved.

--Tax Policy and Administration - According to IRS, in a recent year it received $90 billion less in taxes than it should have, had all taxpayers correctly determined and paid their tax liability. Known as the "tax gap", this shortfall is made up of unreported income by individuals ($52 billion); overstated expenses, deductions, and credits ($13 billion); other noncompliance by individuals and corporations ($16 billion); and tax losses on illegal income ($9 billion). GAO's work will be focused on methods of reducing this tax gap by:

- helping reduce unreported illegal source income,
- eliminating abusive tax shelters,
- analyzing proposals for tax reform and simplification,
- ensuring compliance with tax laws governing international transactions,
- improving the use of computer technology in the IRS's Philadelphia Service Center to assure accurate and timely processing of tax returns, and
- analyzing the role of tax expenditures.

In these areas we have a number of ongoing efforts including reviews of tip income, resyndication of federal housing, consumption taxes, taxes paid by U.S. subsidiaries of foreign corporations, IRS' major ADP acquisitions, and business energy tax credits among others.

I might add that GAO work plans are developed with the input of congressional committees, and with the advice and consultation of others in and out of government. At a managers' meeting held in November 1984, GAO's division directors summarized their work plans for the next several years. It might be useful for the Committee to have additional information about GAO's work plans. We would be pleased to talk with staff about making presentations or otherwise making this information available.

UPDATE ON MATTERS DISCUSSED AT LAST YEAR'S HEARINGS

I have already discussed our recent and planned actions with respect to GAO's Office of Quality Assurance. I would like now to give you a brief update on several aspects of other GAO operations.

Consolidated Administrative Management Information System

The Senate Governmental Affairs's Committee and the Surveys and Investigations (S & I) staff of the House Appropriations Committee have recently completed reviews of the CAMIS project. The Senate report was critical of GAO's procurement process; whereas, the S & I report concentrated on management and technical issues. We believe that the need for which CAMIS was started still exists. We recognize the need to build a credible information resources management capability and to modernize our administrative management systems. We are aware of the magnitude and difficulty of the job ahead.

We are taking steps to build our information resources management capabilities. We have recently selected the Director of our Office of Information Resources Management. One of the new director's first tasks will be to organize and staff the office to meet GAO's current and future needs. We recognize the need to properly staff the organization if we are to achieve our objectives. The new director has also been charged with developing a long-range information resources plan and thoroughly evaluating future options as set forth in the Senate and S & I reports. We will keep the committee informed of our progress.

Asbestos Removal

We are continuing to work with the General Services Administration (GSA) to remove asbestos-contaminated building components; for renovating the GAO building's heating, ventilating, and air conditioning system; and for other related projects. Renovations have been completed on the first floor and personnel have been relocated there to allow work to begin on half of the seventh floor. Paramount in these endeavors is our concern for the health of our employees during the renovation. GSA has assured us that it is and will continue to closely monitor ongoing and future contracts involving asbestos removal. We have also received GSA's assurance that the asbestos in the GAO building poses no health hazard for building occupants until it is physically disturbed, at which time special precautions have been and will be taken to assure the health and safety of the occupants. While our dealings with GSA have been generally both amicable and productive, there remain concerns which are inherent in any landlord-tenant relationship. Chief among these concerns are our differing opinions regarding a safe level of airborne asbestos particles. The GSA is adhering to the Occupational Safety and Health Administration standard of .1 fiber per cubic centimeter, while we favor the recommendations of both the National Institute for Occupational Safety and Health and John Hopkins University of .01 fibers per cubic centimeter. Additionally, given the nature of this expensive and sensitive long-term project, we feel that GSA should further enhance its project inspection capabilities. While GSA monitors the areas under construction, our own in-house staff has been monitoring occupied areas. To date, readings by both monitoring teams have been within the safe range.

Successful and timely completion of the renovation projects is contingent on GSA's ability to deliver on the financing and construction plan presented to my staff. The plan appears to be fairly reasonable but GSA's ability to perform is heavily dependent upon OMB and congressional approvals of GSA's prospectus and funding proposals. It is our contention that if we are to succeed with the asbestos removal, strict adherence to this plan is essential by all parties concerned.

CONCLUSION

This year, we are asking for the resources to continue our program to assure that GAO is adequately staffed and effectively trained and organized to meet its responsibilities to the Congress. With your help, we have made significant progress. But more needs to be done. It will take time for us to achieve the staffing that we need in the computer area. Our request for resources recognizes this. We will build only as quickly as we can assure that increases will be effectively used in support of the Congress.

The additional resources that we are requesting--along with those currently available to GAO--will be used to assist the Congress in those areas where we can make a major contribution. We will continue to place more emphasis on identifying specific activities which will reduce government costs or increase its revenues--consistent with the direction that the Congress has established for federal agencies and their programs.

We believe that our record of accomplishment--including the substantial dollar benefits that have resulted from our work--shows that GAO is a very significant part of the Congress' deficit reduction program.

OPENING REMARKS

Mr. BOWSHER. We will keep the statement very brief.

We are asking for 150 additional average positions which are part of last year's——

Senator D'AMATO [interposing]. 500 you wanted.

Mr. BOWSHER. Right.

Senator D'AMATO. What did I give you?

Mr. BOWSHER. We asked for 500; you gave us somewhat less than 100 average positions last year and we are——

Senator D'AMATO [interposing]. That is what you asked for, 500?

Mr. BOWSHER. Yes. But we said that we didn't expect to get it all in 1 year. To do the work that we thought we needed to do in the areas of computers and financial management would eventually require about a 500-position increase. We recognized this year would be a very tough year, and we put our request in to try and continue that program. We do save a lot of money from our work. In fiscal year 1984, we had over $5 billion in savings.

MEASURABLE SAVINGS OF GAO WORK

Senator D'AMATO. Did you save $5 billion?

Mr. BOWSHER. Yes, we did.

Senator D'AMATO. How did you do that?

Mr. BOWSHER. Various ways in which we provide——

Senator D'AMATO [interposing]. I mean the biggest way. One you are really proud of.

Mr. SOCOLAR. We periodically would get, say, $440 million——

Mr. BOWSHER [interposing]. The ammunition in the Department of Defense.

Senator D'AMATO. How did you save $440 million for the record?

Mr. BOWSHER. We reviewed the submissions by the Department of Defense and pointed out the ones that couldn't go to production for various reasons and ones which had inventories that would exceed requirements.

Senator D'AMATO. As a result of your pointing out this information to whom?

Mr. BOWSHER. To the Appropriations Subcommittees on Defense.

Senator D'AMATO. They were then able to——

Mr. BOWSHER [interposing]. Reduce that appropriation by $440 million. You had a briefing recently on the E-6A plan. Now, we would not claim that savings even though I think——

Senator D'AMATO [interposing]. You worked on it?

Mr. BOWSHER. According to the information that we provided, if the committee decides not to go forward with the program, we would not claim the entire savings. We only claim the first year savings and the average annual savings for the next 3 years based on our work. We do state our figures very conservatively.

Senator D'AMATO. Please name another big nondefense job in which you saved some money.

Mr. Bowsher. Although we describe them in our annual reports, we can submit them for the record, very definitely.

Senator D'Amato. Will you for the record give us——

Mr. Bowsher [interposing]. Some of the major ones?

Senator D'Amato. Yes; and outside of the defense area.

Mr. Bowsher. We will be pleased to do that.

[The information follows:]

EXAMPLES OF MEASURABLE DOLLAR ACCOMPLISHMENTS ATTRIBUTABLE TO GAO WORK - FISCAL YEAR 1984

Defense:

GAO recommended that the amounts requested by the Department of Defense for certain ammunition items and related projects not be provided. GAO concluded that reductions could be made for reasons such as (1) inventory levels would exceed requirements; (2) planned procurements or facilities were premature because of technical, production, and performance problems; (3) cost estimates were overstated; and (4) facility requirements decreased. Acting on these recommendations, the Congress reduced the Defense's fiscal year 1984 budget for conventional ammunition and production facilities. Estimated benefits: $440.4 million

Over a period of years, GAO and Department of Defense auditors have identified shortcomings in the procurement of military spare parts and made several recommendations for improvements. For example, GAO recommended that the Department of Defense combine the purchase of spare parts with production components to reduce costs on the B-1 Bomber Program. Acting on the information developed by GAO and Department of Defense auditors, the Congress reduced Defense's budget for spare and repair parts in fiscal year 1984 to encourage more aggressive and efficient procurement policies for these items. Estimated benefits: $648.6 million

GAO reported that the Department of Defense's Remotely Piloted Vehicle's development schedule was extremely tight and likely to slip. GAO recommended that the production contract be delayed and that the Secretary of Defense reduce production funds for the weapon system in its 1984 budget request. This action, GAO concluded, would cause minimal program delay, give the Congress another full year to evaluate the system's performance, and allow more slack in the testing cycle to deal with likely problems. Acting on GAO's recommendation, the Department submitted a revised budget request to the Congress for substantially less funding. Estimated benefits: $116.8 million

GAO recommended that the Secretary of Defense withhold authorization of the conventionally armed land attack missile until the system's accuracy and survivability are convincingly demonstrated. In response, the Navy revised the program and asked the Congress to authorize a lower level of production until the missile's accuracy can be further demonstrated. Estimated benefits: $192.7 million

GAO reported that a plan to upgrade older nuclear weapons would contribute little to further minimize risk of nuclear accident and that new bombs currently scheduled for production could be used to meet operational alert requirements before the improved older bombs would be available. Accordingly, GAO recommended that the plan to improve the older weapons be reconsidered and Defense reduced the number of older bombs scheduled for improvement. Estimated benefits: $256 million

GAO reported that the continuous buildup of large inventory excesses aboard aircraft carriers was primarily due to a lack of supply discipline and management controls to prevent overordering appropriation-funded repairable items. In response to GAO's recommendation, the Navy established more effective funding controls over issues of appropriation-funded items. A subsequent evaluation of the financing of non-aviation depot level repairable items had resulted in a one-time inventory investment reduction as well as annual cost avoidances. Estimated benefits: $266.9 million

During a review of a Navy aircraft program, GAO found that the Navy's plans called for unnecessary redundancy in aircraft testing and sole source procurement of test program sets. GAO noted, however, that a Navy study had suggested that significant savings could be realized by competitively procuring the test program without adversely affecting performance capability or schedule. GAO recommended that the Navy competitively procure its test programs and eliminate unnecessary redundancy in its testing program. Acting on these recommendations, the Navy substantially reduced program costs. Estimated benefits: $85.5 million

GAO reported that the Department of Defense had not adequately justified the benefits and costs of subsidizing domestic production of strategic materials. Acting on this information, the Congress did not authorize funding for the program in fiscal year 1984, which reduced the budget by $150 million. In addition, the Congress authorized future program funding for fiscal years 1985 and 1986 at an average annual level which is $350 million less than the Department had been planning to request. Estimated benefits: $500 million

GAO reviewed the leasing practices of the Department of Defense for automatic data processing (ADP) equipment and testified before a congressional committee that the Department was incurring excessive leasing costs. In response, the Congress directed the Department to take several actions to reduce its costs, such as requiring that all ADP equipment be purchased rather than leased unless justified on a cost basis. The Department has estimated that the actions being taken in response to the congressional directive will result in substantial life-cycle cost avoidances for ADP equipment. Estimated benefits: $711 million

Non-Defense:

In September 1981, GAO reported that the Life Insurance Company Income Tax Act of 1959, under which the nation's life insurance companies were taxed, should be revised. GAO recommended that the Congress change the methods by which a life insurance company calculates its reserve deductions, its taxable income, and the revaluation of certain types of reserves. In 1982, the Congress adopted, in part, our recommendation for revaluing reserves, resulting in an increased annual revenue collection of approximately $220 million. The Deficit Reduction Act of 1984 went further by eliminating the approximate method of reserve revaluation. Compared to the 1982 amendment, the action taken in 1984 will increase tax revenues by approximately $300 million in its first year of implementation as well as a similar amount in future years. Estimated benefits: $600 million

GAO reported that the Department of Agriculture had improperly exceeded the maximum payment limit to farmers participating in the Payment-In-Kind Program. In response to GAO's work, the Department limited such payments in fiscal year 1984 to a maximum of $50,000 per farmer. This resulted in a lower level of participation in the program by farmers and a corresponding reduction in program payments. Estimated benefits: $288 million

Based on a GAO recommendation, the Drug Enforcement Administration increased the annual registration fees for employees of firms which prescribe or handle prescription drugs. Increased revenues to recover program costs resulting from this action will amount to about $10.6 million in the first year of implementation as well as a similar amount in subsequent years. Estimated benefits: $21.2 million

GAO reported that railroad employers were required to deposit retirement taxes to the U.S. Treasury less frequently than other employers are required under the Social Security system. GAO recommended that railroad employers be required to deposit these taxes as frequently as nonrailroad employers are required to deposit social security taxes. By enacting this recommendation, the Congress expects to increase revenues for the Railroad Retirement Trust Fund. Estimated benefits: $137.4 million

GAO reported that railroad retirement contributions collected from railroad employees were less than the amount that would be collected from workers under the Social Security system. The basic reason was that railroad retirement contributions were based on maximum monthly earnings rather than annual earnings. Acting on this information, the Congress amended the Internal Revenue Code to require that railroad employee retirement contributions be based on annual rather than maximum monthly earnings. This change increased railroad retirement program revenues. Estimated benefits: $97.3 million

OTHER COMMITTEE QUESTIONS

NAVY DOLLAR SAVINGS

QUESTION. Your analysis of actual dollar savings achieved through GAO work includes an estimated savings by the Navy of $562,399,000. That is a substantial sum of money even by DOD standards. What accounts for that estimated savings? What is the Navy doing that the other services aren't?

ANSWER. The amount of GAO's fiscal year 1984 benefits attributable to actions taken by the Navy was $562.4 million. Listed below are the three largest accomplishments which accounted for $545 million, or 97 percent, of the total attributable to action taken by the Navy.

GAO reported that the continuous buildup of large inventory excesses aboard aircraft carriers was primarily due to a lack of supply discipline and management controls to prevent over ordering of appropriation-funded repairable items. In response to GAO's recommendations, the Navy established more effective funding controls over issues of appropriation-funded items. A subsequent evaluation by the Navy showed that the conversion to stock fund financing of non-aviation depot level repairable items had resulted in a one-time inventory investment reduction as well as annual cost avoidances. Estimated benefits: $266.9 million.

GAO recommended that the Secretary of Defense withhold authorization of the conventionally armed land attack missile until the system's accuracy and survivability are convincingly demonstrated. In response, the Navy revised the program and asked the Congress to authorize a lower level of production until the missile's accuracy can be further demonstrated. Estimated benefits: $192.7 million.

During review of a Navy aircraft program, GAO found that the Navy's plans called for unnecessary redundancy in aircraft testing and sole source procurement of test program sets. GAO noted, however, that a Navy study had suggested that significant savings could be realized by competitively procuring the test program without adversely affecting performance capability or schedule. GAO recommended that the Navy competitively procure its test programs and eliminate unnecessary redundancy in its testing program. Acting on these recommendations, the Navy substantially reduced program costs. Estimated benefits: $85.5 million.

We do not believe the size of the measurable financial accomplishments attributable to GAO's work is a good yardstick for comparing the various services' operations for a particular year. When the Congress or an agency takes action attributable to our work which can be measured in dollars, we record it. However, there is a lag time between the date of a report (or other work product) and the date when action is taken and benefits are realized. For example, the $85.5 million accomplishment referenced above is based on a recommendation contained in a GAO report issued on February 26, 1982. In addition, certain recommendations involve more than one service and it is often difficult to differentiate the benefits between the services. We have changed the reporting format in the Comptroller General's Annual Report for fiscal year 1984 and now put all Department of Defense accomplishments on the same footing as other departments and agencies; i.e., all accomplishments for major departments (Agriculture, Commerce, Defense, etc.) are reported as complete units rather than subunits (services, bureaus, etc.).

DEFENSE BUDGET EXECUTION

QUESTION. The recent discovery of billions in "inflation dividends" and "management savings" in the Department of Defense could lead one to wonder how well that Department's budget execution is being monitored.

What roles does GAO play, if any, in monitoring departmental budget execution to ensure that management and inflation savings are identified and withheld from obligation for other purposes?

ANSWER. Annually, GAO reviews the current fiscal year request and the previous year's appropriations to identify management, inflation, and other saving that can be withheld from obligation for other purpose. For example, we are now "looking at" the Navy's request for the following accounts:

--Shipbuilding and Conversion, Navy (SCN),
--Aircraft Procurement, Navy (APN),
--Weapons Procurement, Navy (WPN),
--Other Procurement, Navy (OPN), and
--(the first time this year), Operations and Maintenance, Navy (O&MN).

As we do our analysis, we are very sensitive to various management actions that can or would have an effect on previously appropriated funds. We also look at the effect on the current fiscal year's request. For example, in shipbuilding we analyze the Navy's estimate by using actual contract data and applying the Navy's cost estimating guidelines. Our analysis is not at the macro level but extends into the various accounts where the Navy allocates appropriated funds. One of these accounts is program escalation. As a result of our analysis, we identified about $236 million in excess funds. Also, as a part of these efforts, this year we are analyzing funds appropriated in fiscal years 1981 through 1983 specifically for escalation purposes. As a result, we identified an additional $274 million that was not needed for escalation. These amounts have been reported to the Appropriations Committees.

QUESTION. If one does not already exist, would there be a way to create a systematic notification process for identifying these balances, such as your selected acquisition report?

ANSWER. At the request of your committee, we are studying various ways to accomplish this and will report on our analysis as soon as possible. GAO recommended in a 1979 report that DOD establish an obligation reporting system. Our Accounting and Financial Management Division is now doing follow-up work on this for the House Budget Committee. One simple reporting change in the annual budget that would be easy to accomplish and give you more information on DOD's balances would be to break out--for multi-year accounts--the unobligated balances by year of appropriation. Currently, the budget contains this figure encompassing all years.

QUESTIONS. Work on a variety of defense issues is one of your primary objectives for the next two to four years. Can we expect that this emphasis will enable us to improve Congressional oversight of budget execution so that we do not have these last-minute revelations of some $4 billion lying around unused?

ANSWER. As you noted, we have defense as one of our primary objectives for the next two to four years. I pointed out earlier that we scrutinize particular DOD budget appropriations accounts to identify achievable savings. These savings are reported as we identify them to the Appropriations Committees. We have expanded the work and the number of accounts under review. We currently have under review budget appropriations accounts for all three Armed Services. We are looking at both procurement and operations and maintenance. We have been able to utilize computer support to track--on a current basis--budget execution in various accounts and quickly see the dollar effects of slippages, actual contract prices, etc., and bring these dollars to the attention of the Armed Services and the Appropriations Committees. We plan to continue to report the results of this work and expect the savings to increase with our expanded coverage.

I'd like to comment, however, that part of the $4 billion--$1.6 billion according to DOD--was the result of inflation being lower than the projections built into the budget numbers. (The remaining $2.4 billion is attributed to savings in industrial funds and stock funds and as a result of slower rates of obligations, program savings, and savings in contract negotiations.) Where inflation is more than projected and, if this money could not be used to meet other unfunded requirements, then a dividend would become available at the end of the year when final inflation execution figures are available. These moneys would show up as unobligated balances. DOD should be responsible for periodically reviewing the actual inflation and returning the dividend to the Congress. This works much the same in the reverse case--which is more frequently experienced--when inflation is higher than projected. In those cases DOD requests supplementals to help fund the unanticipated inflationary expenses. As I indicated earlier, we have found inflation dividends in some of our budget reviews. However, it is more efficient for DOD to periodically report on the progress of inflation and the money realized or needed due to the difference between inflation projection and the actual rate.

IN-HOUSE VERSUS REQUESTED WORK

QUESTION. One of the recurring criticisms of your agency--and there is some justification for it--is that a substantial degree of your time and resources is spent on work that is self-generated, as opposed to requested by the Congress. This obviously affects the timeliness and quality of your work for the Congress.

Can you quantify the amount of work conducted in fiscal year 1984 that was self-generated as opposed to requested by the Congress?

ANSWER. In fiscal year 1984, 50.4 percent of GAO's total audit and evaluation work was requested by the Congress. Of this, 45.8% responded to specific requests of committees and members and to statutes requiring one-time audits and evaluations. The remaining 4.6% responded to other specific congressional requirements such as continuing statutory and committee mandates. Congressional requests receive priority staffing; this is consistent with GAO's basic mission to respond to the needs of the Congress. GAO works on a large number of jobs, approximately 1,000 at a given time. We receive about 100 letters per month from committee chairmen and Members of Congress requesting audits, reviews, and investigations. These requests need to be integrated with our ongoing work, which in some areas is virtually all congressionally initiated. When we receive new requests it is often necessary to reassign staff from other work. This practice affects the timeliness and the completion of both the ongoing work and new requests.

QUESTION. Of the $5.2 billion in savings claimed for fiscal year 1984, how much is attributable to self-generated work, and how much to requested?

ANSWER. Of the $5.2 billion in benefits reported in the Comptroller General's Annual Report for fiscal year 1984, $3.86 billion, or 73.5 percent, was the result of GAO's basic legislative requirements; $1.39 billion, or 26.5 percent, was the result of congressional requests.

QUESTION. Since it is a priority of yours to improve the timeliness and quality of your work for the Congress--indeed, it is your statutory mandate--what actions are you taking to ensure that Congressionally requested work is given top priority in allocating your resources?

ANSWER. As a general policy, we defer self-initiated work to respond to congressional inquiries. It is important to note, however, that our self-initiated work also responds to congressional needs. Responsiveness to the Congress is a driving force behind all of our work. We believe that GAO's responsibility to be responsive to congressional requests is well understood by GAO staff.

SAVINGS IN FISCAL YEAR 1986 DEFENSE REQUEST

Senator D'AMATO. I think you do a pretty good job. At times I wonder how some of these reports find themselves in the press without certain people getting there too, but I have to tell you something, I try to be responsive to your needs. Do you think that is a fair statement?

Mr. BOWSHER. Yes, it is.

Senator D'AMATO. I haven't played games with you, in spite of there being people who may not be so happy with the way GAO operates. How is it that you didn't pick up the minimum of $4 billion that the Defense Department had in its accounts that had been appropriated that had not been committed, used, allocated, disbursed due to the levels of inflation being less than that which they anticipated? Where were you?

Mr. BOWSHER. We did do a special study last year on the entire 5-year defense plan and pointed out that some of these moneys in the planning stage were properly stated. The historic trending gives quite a different view from the actual budget submissions. Although we didn't pinpoint that $4 billion, to a certain extent that is really OMB's role rather than ours——

Senator D'AMATO [interposing]. Come on, you fight with OMB all the time. Are you trying to tell me now you do this good work and expose everybody, but you really didn't get to protect that poor guy Spanton; you know who I am talking about?

Mr. BOWSHER. Yes, George Spanton.

Senator D'AMATO. Spanton, that was terrible. That was a black eye. Everybody ought to be ashamed of that, using some poor little guy, catching him stealing all that money.

Mr. BOWSHER. Senator, if I can point out, we did come up with the findings, and we also have completed a report that he urged be done on the executive salaries of the aerospace industry including, for example, whether salaries were too much. So I feel that we followed up on some of these major issues——

MERIT SYSTEMS PROTECTION BOARD

Senator D'AMATO [interposing]. It was really the Merit Systems Protection Board that were gutless wonders. They are supposed to protect people. Boy, they do some terrible job. At least the judge did in this final decision. I don't know who leaned on him.

CONSOLIDATED FINANCIAL MANAGEMENT

Mr. BOWSHER. I would also like to point out, Senator, that we have produced a two-volume report on what we consider the problems with the present budgeting and accounting systems of the Federal Government. One of the problems is that the systems allow people at differing levels to hold back information. One of the things we point out is that some reporting, such as the SAR reports that come to Congress on major weapons systems, they can be changed. One of the reasons is they are not rooted in the official accounting records of the Federal Government. I do believe that the Government should modernize its accounting systems.

Senator D'AMATO. Well, could you go it in less than two volumes and give this committee, give this Senator in particular maybe something on three or four pages and summarize——

Mr. BOWSHER [interposing]. Yes, we could.

Senator D'Amato. Summarize the highlight as to how we can stop this kind of incident which destroys the credibility of those of us who believe in a strong defense and then take a terrible, terrible beating.

REQUEST TO REVIEW DOD BUDGET

Now let me ask you, we heard $4 billion. Since that has been revealed, have you sent your people in there to see if there was more than $4 billion?

Mr. BOWSHER. No; we haven't.

Senator D'AMATO. Will you do that, please?

Mr. BOWSHER. Yes.

Senator D'AMATO. Do I have to ask you to do that?

Mr. BOWSHER. No, I have been expecting a letter from someone. If you want to make the request, we will be——

Senator D'AMATO [interposing]. All right, because I believe that we have the responsibility to ask you to look at this area. I happen to be a member of the Defense Appropriations Committee, but I am not asking you to do this from that point of view. I would like for you to submit to me, to this committee, an analysis of how we can avoid this problem in the future. Absolutely imperative.

Second, I also think it would be important to ascertain what the true level of surplus is. Is it $4 billion? Is it $18 billion? Is it $22 billion, as some of my colleagues claim? I don't know what it is. Who do I find out from? The way we get any measure of that is by coming to GAO.

So I have to suggest to you that I would like you to give us an explanation of why GAO didn't indicate that this was going on. I think it is important, and I think we owe it to the American taxpayer.

I will also request of my colleagues that we hold a public session in which we address this question specifically as to how this took place. So I would like you to focus in on it. When can you give me your initial report?

Mr. BOWSHER. Let me check with my people. We can get back with your staff. We will do it as fast as we can.

Senator D'AMATO. Would you?

Mr. BOWSHER. We sure will.

Senator D'AMATO. I am asking you to make this a matter of high priority.

Mr. BOWSHER. Absolutely. If we can't give you a complete report, we will give you a preliminary report at the time you need it and maybe do additional work in the summer and fall.

Senator D'AMATO. Exactly. I would like to have it before the July 4 recess. I want to know what is going on. Even if it is a preliminary report, I think it is that important. I have to confess to you that I am terribly embarrassed when people say to me they are hoarding money and how much they have, and then I read in the press today various of my colleagues are making statements like there is $18 billion, there is $22 billion. Well, I don't know.

Mr. BOWSHER. If you remember, DOD did the same kind of thing on the B-1 bomber last year. You were looking at the B-1 bomber program and had planned not to fund it, when all of a sudden they found money to fund the program.

Senator D'AMATO. I appreciate that.

Mr. BOWSHER. Sure.

INTERSTATE COMMERCE COMMISSION

Senator D'AMATO. I am going to just ask you one other question and submit the others for the record.

The fiscal year 1985 appropriations for Interstate Commerce Commission salaries and expenses as contained in Public Law 98-473 was for $48 million. The Office of Management and Budget apportionment granted the Commission first quarter spending authority for the entire sum. The Commission's rate of spending has necessitated a supplemental appropriation request as well as employee furloughs. Did the General Accounting Office countersign the fiscal year 1985 Interstate Commerce Commission salaries and expenses, Treasury warrant?

Mr. SOCOLAR. Yes; we did. We don't sign warrants except under continuing resolutions. This one was under a continuing resolution.

Senator D'AMATO. Was there any recognition by GAO of the need for ICC to curtail spending in order to live within its appropriation?

Mr. SOCOLAR. At the time the appropriation was warranted over, that warrant was just based on the statute. We wouldn't have necessarily looked at ICC's operations at the time we did that.

Mr. BOWSHER. I think we currently have a study going on in this area. I have to go back and check because we have a thousand studies going at any one time. I am pretty sure this is one we are studying right now at the request of another committee.

Senator D'AMATO. Probably the Transportation Committee. I will ask you to give us a report as to how that situation developed, what, if any, methods can be utilized in the future to avoid that situation, if you can, if it falls within your jurisdiction. But answer us specifically.

I have four or five questions which I will submit to you directly for the record and I would appreciate your response.

Mr. BOWSHER. Certainly.

Senator D'AMATO. Senator Andrews is interested, and I think he is correct, as far as hearing stories of how people are going to be furloughed for 1 month, 2 months, hundreds of people wasn't it?

Mr. BOWSHER. Yes.

Senator D'AMATO. It seems to me that someone just missed the boat there. I don't suggest it was GAO. If you can give us a report on that, we would be appreciative. Do you understand the budget constraints we are under?

FISCAL YEAR 1986 BUDGET CONSTRAINT

Mr. BOWSHER. Yes, we do. We will work with you.

Senator D'AMATO. Good. Let me suggest, we worked well together last year and struck a compromise that served all of our purposes.

Mr. BOWSHER. We agree, and we appreciate your support very much, Mr. Chairman.

Senator D'AMATO. I urge you to follow the same approach.

Mr. BOWSHER. We will.

Senator D'AMATO. Good to see you.

Mr. BOWSHER. Good to see you.

SUBMITTED QUESTIONS AND PREPARED STATEMENTS

Senator D'AMATO. Questions referred to earlier and any additional information will be placed in the record at this point.

[The information follows:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

OVERVIEW OF "MANAGING THE COST OF GOVERNMENT"

QUESTION. In your February 1985 "Managing the Cost of Government" report (GAO/AFMD-85-35A), you say that there is need for a major overhaul of the federal government's financial management practices. Can you give us an overview of the kinds of changes you think are needed?

ANSWER. GAO's two-volume report addresses the state of financial management in the federal government. The report discusses the major problems in the government's financial management and proposes a comprehensive, integrated approach to reform. Following are the key points of the report.

MAJOR PROBLEMS

The shortcomings of the present federal financial management system are numerous and well-documented. The report emphasizes five problem areas that demonstrate dramatically our need to overhaul this system:

Lack of Cost Information

Although today's financial reports provide a flood of information, they contain little reliable cost data essential for effectively monitoring program execution, anticipating overruns, and providing a basis for future program and budget planning.

Lack of Reliable Information on Weapon Systems

Current project reporting systems generally are not tied directly to the accounting and budgeting systems. The reports, all too often, are incomplete, inconsistent and unreliable. Significant changes may be reported too late for remedial action to be taken.

Inadequate Disclosure of Costs and Liabilities

Major commitments of federal resources, such as retirement benefits, are only partially recognized in the budget. Other activities, such as the $106.9 billion loan portfolio of the Federal Financing Bank, have been excluded from the budget totals. They were included in the President's 1986 budget reflecting the President's plan to submit legislation that would change existing law excluding these activities.

Unstructured Planning for Capital Investment

The federal government plays a major role in determining the level of investment for public capital facilities. Yet these vitally important decisions are made in an uncoordinated fashion, and the government's overall approach to capital budgeting provides capital expenditures little visibility in the budget process.

Antiquated Financial Management Systems

The federal government is the largest and most complex operating organization in the world. Its basic approach to financial management, however, is obsolete and inefficient. Many federal systems employ outdated equipment and are not designed to provide the information needed by managers, policy officials, and Congress.

REFORM WILL REQUIRE A COMPREHENSIVE, INTEGRATED APPROACH

Previous efforts to remedy these and other problems have been piecemeal and partial. Successful reform requires a comprehensive, integrated approach. It should be government-wide in scope, serving the needs of both Congress and the executive branch, by ensuring that consistent data are available across agency and department lines. The effort should stress the following four key elements:

Strengthened Accounting, Auditing, and Reporting

Effective financial management must start with complete, reliable, consistent and timely information. Government financial systems must be designed to produce that information. Routine and special reports must be timely, useful and readily understandable, and the reliability of the information must be assured through effective auditing procedures.

Improved Planning and Programing

Many of the most pressing national issues cannot be adequately considered by using a narrow, short-term focus. A modern financial management system should include a structured process for considering those issues, one that focuses attention on major issues, identifies alternative courses of action and analyzes their probable future consequences. The process must ensure that alternatives are accurately and completely costed on the basis of data from the integrated accounting systems.

Streamlined Budget Process

To be effective, the federal budget process must be made more manageable and integrated with the planning, programming and accounting phases of financial management. Reform is needed in both Congress and the executive branch. This effort should concentrate on eliminating unnecessary repetition, detail, and obstacles to action. The system and its operating procedures must be designed so that program managers, policy officials, and members of Congress can focus on the difficult budget choices that must be made.

Systematic Measurement of Performance

Effective management of resources requires examining the results of government activities as well as their costs. An integrated and disciplined financial management system that provides consistent data on cost and performance is essential to help both Congress and the executive branch assess the efficiency and effectiveness of government operations. Top appointive federal executives have relatively short tenures and are, therefore, especially dependent on reliable cost and performance reports to ensure that resources are being used effectively.

REFORM WILL REQUIRE INVESTMENTS IN SYSTEMS, ORGANIZATIONS AND PEOPLE

Taken together, the above elements form the conceptual foundation of a new financial management structure. Putting the new structure in place and making it work, however, will require much more in the following areas:

Leadership

Establishing the framework for financial management improvements throughout the government will first require strong leadership to develop a consensus that the time has come to modernize the government's financial structure. Implementing and operating the new structure will require strong and continuous leadership from skilled executives.

Investments in People

To operate effectively, even the best-designed financial management system requires able, dedicated, and well-trained people.

System Development Efforts

Over a period of years, new systems will have to be designed and installed that consistently implement the conceptual foundation and take full advantage of the latest technology. Much of this requirement can be accomplished with little additional cost by coordinating new and existing system development activities.

The potential benefits are substantial, but only if these efforts are part of a coordinated strategy of reform. This will require a sustained commitment over a number of years from both Congress and the executive branch. The basis for successful reform might best be established through a series of congressional hearings resulting in a bill or resolution setting forth the scope, objectives, leadership and timetable for the overall effort.

INTERSTATE COMMERCE COMMISSION: FISCAL YEAR 1985 SPENDING

GAO, at the request of the Chairman, House Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, is examining various aspects of ICC's budget for fiscal year 1985 and the actions taken by the ICC that lead up to the recent furlough of its employees. The Chairman is concerned about the legality of ICC spending at known high levels in anticipation or hope that the Congress would provide supplemental funding. The Chairman is also interested in what alternatives to the furlough were available to the ICC. The ICC probably could have avoided the furlough situation had it taken earlier management action to operate within its approved appropriation. GAO plans to provide a report on this matter to the Chairman by the end of June 1985. We will provide a copy of this report to Chairman D'Amato when it is released.

OTHER COMMITTEE QUESTIONS

INTERSTATE COMMERCE COMMISSION RATE OF OBLIGATIONS

QUESTION. The fiscal year 1985 appropriation for "Interstate Commerce Commission, salaries and expenses," as contained in P.L. 98-473, was $48 million. The Office of Management and Budget apportionment granted the Commission first quarter spending authority for the entire sum. The Commission's rate of spending has necessitated a supplemental appropriation request, as well as employee furloughs. When Treasury warrants are approved by GAO, do they note or dictate a monthly or quarterly spending plan?

ANSWER. Generally, GAO receives warrants from the Department of the Treasury for the full year amount as provided in the continuing resolution. The warrant does not specify spending rates or quarterly apportionments.

QUESTION. Is GAO notified when the OMB approves accelerated spending for an agency? How?

ANSWER. GAO is not notified if accelerated spending is approved by OMB.

At a meeting held on October 28, 1980, with representatives of the House and Senate Appropriations Committees, the Office of Management and Budget, the Department of the Treasury, and the General Accounting Office in attendance, it was agreed that OMB would apportion appropriations under continuing resolutions as it did under regular appropriation acts. The role of Treasury and GAO in issuing countersigning warrants under continuing resolutions was to assure that the agencies did not receive more funds than were appropriated by the Congress. Further, under Department of the Treasury-General Accounting Office Joint Regulation No. 6, which was issued with the knowledge of the staff directors of the House and Senate Appropriations Committees, Treasury now issues, and GAO countersigns, a single warrant for the full annual appropriation under the first continuing resolution for the year. Additional warrants are issued only if a subsequent act or resolution changes the amount appropriated under these procedures. GAO has no knowledge of the amounts apportioned by OMB.

QUESTION. What is the GAO's responsibility in such a situation? (i.e., the OMB granting of category A and category B apportionments)

ANSWER. In the past when OMB authorized accelerated spending, GAO's responsibility was to determine that the Treasury warrant did not exceed the OMB approved amount. Today, GAO is not a party to those proceedings.

QUESTION. If there is a possibility of antideficiency spending must GAO, OMB, or the agency notify Congress? If so, what are these procedures?

ANSWER. The agency must advise committees of the Congress under its internal audit procedures of any violation of the Antideficiency Act. GAO does not perform antideficient audits on a regular basis., However, if through GAO's audit process a potential Antideficiency Act violation is identified, GAO notifies the affected agency, which in turn is responsible for informing the Congress.

QUESTION. If OMB approves accelerated spending what responsibilities do GAO and the affected agency have if Congress does not approve the supplemental? What proof does the agency have to provide Congress, GAO and OMB that the accelerated spending is necessary yet prudent within current law?

ANSWER. The agency, in conjunction with OMB's apportionment process, is responsible for setting its rate of spending. GAO has no direct involvement in this process.

QUESTION. How does GAO or OMB know that an agency is staying within its approved budget?

ANSWER. The primary responsibility for ensuring that an agency operates within the limits of its available appropriations lies with the agency itself. While there is a role for OMB in the process, GAO's involvement is limited.

The Antideficiency Act was passed by the Congress to ensure fiscal responsibility in the agencies. The act has several provisions which are designed to produce this result.

First, the act requires that all appropriations which are available for a definite period of time be apportioned to prevent obligation at a rate that would indicate a necessity for a deficiency or supplemental appropriation (31 U.S.C. § 1512(a)).

For agencies in the executive branch of the government, apportionment is made by the President through OMB (31 U.S.C. § 1513 (b)). OMB may apportion funds by time periods (usually by calendar quarter) or by activity or function (31 U.S.C. § 1512(b)).

The Antideficiency Act also requires the heads of agencies, with the approval of the President (OMB), to establish systems of administrative controls designed to restrict obligations to the amounts that have been apportioned by OMB and to fix responsibility for any obligation that exceeds the apportionment (31 U.S.C. § 1514 (a)).

Further, the act prohibits federal employees from entering into obligations in advance of or which exceed either the amount of an appropriation (31 U.S.C. § 1341 (a)(1)(A)), or the amount of an apportionment (31 U.S.C. § 1517 (a)(1)). Violators of these provisions are subject to administrative discipline, including suspension without pay or removal from office (31 U.S.C. §§ 1349 (a), 1518). A person who knowingly and willfully violates the prohibitions is subject to criminal prosecution (31 U.S.C. §§ 1350, 1519). To our knowledge, however, no one has ever been prosecuted for violating the Antideficiency Act.

OMB has issued Circular A-34, which contains specific instructions to agencies on matters of budget execution, including compliance with the Antideficiency Act. Part V of the circular requires agencies to submit monthly reports on budget execution to OMB. These reports, on Standard Form 133, must show the agency's appropriation and apportionment and the amount of obligations that have been incurred so far in the fiscal year. From these reports OMB is able to determine whether an agency is operating within the limits of its appropriations and apportionments.

Agencies are also required to report their obligations on a quarterly basis to the Department of the Treasury (Treasury Fiscal Requirements Manual 2-4440).

QUESTION. When and how is Congress notified that spending is over budget?

ANSWER. The Antideficiency Act requires that agency heads "immediately" report violations of either the appropriation or apportionment provisions to the President and to the Congress (31 U.S.C. § 1517(b)). The report is to contain all of the relevant facts and a statement of actions taken.

In circular A-34, Part VII, OMB specifies what the report to the President is to contain and that the report to the Congress will be in the form of identical reports to the presiding officer of each body.

The Congress may also learn of obligations occurring at a deficiency rate through a request for a supplemental appropriation.

QUESTION. What tools or recourse does OMB, GAO or Congress have to stop the overspending if it is not found to be prudent?

ANSWER. Under the Antideficiency Act, the act of incurring obligations in excess of either an appropriation or an apportionment is a violation regardless of its purpose. Certainly when it comes to the attention of an agency officer or employee that the agency is violating the law, any further obligations should be avoided. Any continued violation after the officer learns of the violation could be seen as knowing and willful which would make the individual subject to criminal prosecution. Therefore OMB, GAO or the Congress could refer a matter to the Justice Department if an official refuses to stop the over obligation.

In addition, should an agency certifying officer certify a voucher for payment when there are insufficient funds to pay for it, GAO can hold that officer personally liable for the amount of the overpayment. Further we have in the past audited the statements of obligations, certifications and supporting records submitted by agencies under section 1311 of the Supplemental Appropriations Act, 1955, currently codified at 31 U.S.C. § 1108(c), and have never discovered any unreported instances of overspending.

OTHER COMMITTEE QUESTIONS

OFFICE OF TECHNOLOGY ASSESSMENT ADVISORY BOARD

QUESTION. Perhaps it is unfair to ask this, Mr. Bowsher, since you are a member of the OTA advisory council, but don't you think it just might be possible for the Congress to survive without the luxury of an Office of Technology Assessment, particularly if it can get such advice from other sources?

ANSWER. Among the congressional support agencies, OTA alone has the mission of providing early indications of probable effects of applying technology. Over the past 13 years OTA has developed a significant range of expertise--in house staff as well as contractors and other experts who can serve as panels--to respond to this legislatively defined congressional need. Such expertise requires time to develop and cannot be turned on and off with changes in the budgetary outlook. Congress continues to need the kind of objective assessments of emerging technological issues that OTA was created to provide. That expertise will continue to be required regardless of where it is "housed."

GAO STAFFING

QUESTION. Last year Congress authorized an additional 100 positions at GAO, by providing funds for 50 and directing that the remainder be funded from within available funds. Of your total of 5,100 positions, how many are vacant?

ANSWER. Of the total of 5,100 positions that were authorized for GAO for fiscal year 1985, none are vacant.

QUESTION. Of the 100 new positions provided last year, how many have been filled?

ANSWER. All of the 100 new positions that were authorized for GAO for fiscal year 1985 have been filled.

QUESTION. In what areas have these additional resources been applied?

ANSWER. The additional 100 positions are being used largely to work in the areas of information management and technology (65) and defense (25). These are the areas in which GAO's budget requests for fiscal years 1985 and 1986 pointed up the greatest need for increased resources. The remaining 10 are being used to increase GAO work in such areas as federal accounting and financial controls and management, tax policy and administration, and financial institutions.

QUESTION. Have you funded any of the new positions from within available resources? If so, from what sources were the funds drawn?

ANSWER. GAO cannot fund any of the new positions from available resources. The current GAO budget provides funds to support 5,050 staff years, which the agency expects to achieve through normal attrition.

QUESTION. The Senate has now acted on a budget resolution that holds Defense to the level of inflation, freezes COLAs, cuts dozens of domestic programs and eliminates others. Don't you really think you can do without 24 additional positions in fiscal year 1985 and another 176 for fiscal year 1986 and still maintain or even improve your level of service? Everyone else is having to do more with less, why can't you?

ANSWER. GAO recognized that this year was going to be a difficult one for the distribution of resources within the Legislative Branch. Even in the light of this, it is not inconsistent that GAO is requesting additional resources. The value of GAO's work will continue to be of special importance to the Congress in the next few years as it seeks ways to trim deficits and, at the same time, improve the efficiency and effectiveness of government programs. GAO's request for fiscal year 1986 was predicated on meeting these congressional interests.

GAO appreciates the support the Committee has given for fiscal year 1985 by authorizing 5,100 positions and funding for 5,050 staff years. The fiscal year 1985 supplemental request of 24 staff years was submitted to meet the specific needs placed on GAO by the Competition in Contracting Act. The Competition in Contracting Act of 1984, which was signed into law after the Legislative Branch Appropriation Act of 1985, requires designating considerable resources over and above the staffing levels approved for fiscal year 1985. The fiscal year 1986 request of 176 additional staff years and 150 positions was designed to meet the burgeoning demands placed on GAO. To absorb this requirement from within current resources will mean that work which should be performed on defense, computer, and financial management issues--where the biggest savings are potentially available--would have to be reduced to the fiscal year 1985 or lower resource levels. This would limit the scope, quantity, and timeliness of work. In other words, the multiplicity of analyses and recommendations GAO envisions will have to be revised downward without the resources requested for fiscal year 1986.

ACCOUNTING AND FINANCIAL MANAGEMENT

QUESTION. How do you envision that your work in accounting and financial management will provide us a better picture of the government's financial condition than provided by the budget process alone? Are we headed toward more confusion with a further proliferation of baselines, estimates, "apples and oranges"?

ANSWER. We think that government officials and the public would have a better picture of the government's financial condition if they had available, in addition to the usual budget materials, audited financial statements on agencies and the government as a whole. These statements would provide important information and perspectives not provided through the budget alone. For example, statements of operations would report the dollar value of the goods and services consumed during the year regardless of when they were paid for, and the dollar amounts earned through taxes and other sources regardless of when they were collected. This kind of financial information is important for accurately measuring the costs of program accomplishments and the effects of revenue policies and actions.

Similarly, financial position statements, focusing upon government assets and liabilities, would show the debts owed for past operations (liabilities), and the resources owned which are available to pay debts or provide future public services (assets). Such information would add an important dimension to deficit discussions and enhance our understanding of the relationship between the government's resources and the claims against those resources.

We further note that requiring that such financial statements be prepared and audited in accordance with governmental accounting principles and standards would improve the discipline of agencies' financial systems. We should not overlook this beneficial impact upon the integrity of agencies' systems when considering the need for financial statements.

Finally, we do not think that the publication of such statements would constitute an unnecessary proliferation of numbers and create confusion over the state of the government's finances. We believe that the statements would provide missing summary information that would help clarify matters and increase understanding. In the private sector, such statements have been found useful for decades, and they are being increasingly introduced at the state and local levels of government. This increasing use at the state and local levels was precipitated by the New York financial crisis of the mid-1970's, and the realization that audited financial statements, prepared according to generally accepted accounting principles, are important components of sound financial management.

CONGRESSIONAL BUDGET

QUESTION. What specific assistance has been rendered "to the congressional leadership and committees to strengthen their capacity for budgeting?" Has this been unsolicited advice or requested? Any evidence of your assistance in the Senate's recent action on the budget resolution?

ANSWER. We have performed a considerable amount of work over the last year to strengthen the Congress' capacity for budgeting. This work has included the following areas:

Statutorily Required Work

--Review of the budget estimating procedures of the Defense Department and a civil agency (Transportation was selected), required by section 2905(b) of the Deficit Reduction Act of 1984 (Public Law 98-369).

Congressional Request Work

--Review of U.S. states' and foreign governments' practices in dealing with "funding gaps" at the beginning of fiscal years (when appropriation or budget legislation is not enacted on time) and options for consideration by the Congress.

--Update unobligated balances of budget authority in federal civil and defense agencies.

--Review of state practices concerning balanced budget requirements.

--Review of the financial management (including budgeting) processes and systems of a major federal agency.

--Update on year-end spending practices and amounts of federal agencies.

--Review of the budgetary treatment of the federal government's "monetary credits" procedure for non-appropriated acquisitions of property.

--Study of options for restructuring the budget's accounts to arrange them according to distinct sources of financing.

--Study of ways to improve the budget justifications of legislative branch agencies.

--Technical support on identifying various budget process problems and options for corrective action.

--Technical support to the House "Beilenson Task Force" on congressional budget process reform matters.

--Technical support for congressional authorizing committees concerning the preparation of their March "views and estimates" reports to the budget committees.

--Technical advice to congressional committees during the drafting of the Federal Capital Investment Program Information Act of 1984 (Public Law 98-501).

Self-Initiated Work

--Briefings to congressional members and staff on GAO's initiative to improve financial management in the federal government. GAO's initiative is described in its two-volume, February 1985 report, "Managing the Cost of Government."

ASBESTOS REMOVAL

QUESTION. Please provide for the record the funds that GAO has expended to monitor GSA's removal of asbestos from the GAO building in 1983 and 1984. What would you estimate these costs to be in 1985 and 1986?

ANSWER. Shown below are funds expended by GAO to monitor GSA's asbestos removal activities. These expenses include purchase of monitoring equipment, laboratory analysis of air samples, consultant contracts, and overtime charges incurred by in-house staff performing monitoring activities.

FY 1983 (actual)	$ 80,000
FY 1984 (actual)	270,000
FY 1985 (estimate)	225,000
FY 1986 (estimate)	275,000

OFFICE OF INFORMATION RESOURCES MANAGEMENT (OIRM)

QUESTION. We note from your budget request that a new organization, OIRM, has been created. What was your reasoning behind such an organization? Isn't the new IMTEC division supposed to be the focal point in GAO for expertise in the ADP area?

ANSWER. The mission of OIRM is quite different from that of IMTEC. OIRM's mission is to manage information resources within GAO. IMTEC on the other hand, carries out GAO's external mission and is responsible for policy and management issues associated with information management and technology on both a government-wide and agency-specific basis.

At the time that OIRM was established, Frank Fee, Assistant Comptroller General for Operations, indicated that he wished to improve the coordination and management of GAO's internal information systems and services. "It has become evident," he indicated, "that the establishment of a single organizational unit responsible for the management of all our information resources is necessary to accomplish this objective."

Some specific responsibilities of OIRM include

- --overseeing the contract for the Information Handling and Support Facility, the "corporate memory" of GAO;
- --enhancing existing and developing new internal systems;
- --introducing end-user systems for the agency and assisting users to become aware of and comfortable with new technologies;
- --managing telecommunications within the agency; and
- --systematic planning and policy development for GAO's internal information resources.

REPORT READABILITY

QUESTION. What efforts have you made, and intend to make, to improve the timeliness and readability of your reports?

ANSWER. A number of initiatives have been undertaken to improve the quality and timeliness of GAO's work and the readability of our reports. The Office of Quality Assurance has prepared and disseminated guidelines papers explaining the quality standards that apply to GAO reports. These papers have been supplemented with workshops for all audit staff in the divisions and regions. The workshops present case studies illustrating quality issues and provide further elaboration on the standards. The increased knowledge gained by the staff through these efforts should result in better products that require less time to review.

Our four main programming divisions, accounting for more than 80 percent of issued reports, have now assumed full responsibility for final report review. For these divisions, further review by the

Office of Quality Assurance is no longer required. These divisions have well-trained review staff and adequate quality assurance procedures in place. Eliminating the additional review level will save considerable time in processing reports. We plan to have the other divisions operating this way by the end of fiscal year 1986.

We are also moving to make our reports more readable. We have developed a new report format, which we expect to implement in the fall of 1985 to help readers--especially the busy decisionmakers--get the information they seek. The new format has several basic elements:

1. a new executive summary--shorter than our old digest, with specific modules that focus on major points;

2. moved headings to a wider left margin to ease skimming and finding specific sections; the margin is also available for notetaking;

3. typeset text--according to authoritative research, typesetting increases legibility, general ease of reading, and reader memory; and

4. a redesigned cover--modernized to focus on the report subject and requester.

PERSONNEL SYSTEM

QUESTION. Last year, you intended to redesign and revise your compensation system for evaluators and related professionals. Have you made progress to that end? Have you taken steps toward implementation of the system? What is your timeframe for completing the system?

ANSWER. We are considering three pay for performance design models. One design is a system where several grades are consolidated into broader pay bands. Another design is the executive branch Performance and Management Recognition System (PMRS). The third design is a modified version of the PMRS, tailored to GAO's needs.

As we are still in the design consideration stage, no new compensation system has been implemented. The three models described above will be presented to the Comptroller General and various members of management and staff for their review and reaction. We anticipate that further modifications to the existing models will be made in response to comments offered by management and staff.

FINANCIAL INTEGRITY

QUESTION. Did your review of the effect of the Financial Integrity Act of 1982 on 23 agencies shed light on the effectiveness of the Act? What were the highlights of your findings? Do you intend to continue developing internal control standards and consulting with the Office of Management and Budget, or is the work you've done on your own sufficient?

ANSWER. After two years, agencies are generally working toward correcting the major problems confronting them. All 23 agencies have efforts underway to strengthen their systems of internal control, with many reporting that material weaknesses were corrected last year. Agencies have recognized that their existing accounting systems do not fully conform with the Comptroller General's principles, standards and related requirements and consequently have a large number accounting system redesign projects underway.

Correction of internal control and accounting systems weaknesses represents the "bottom-line" of the act. Many of the material weaknesses agencies reported in 1983 and 1984 are longstanding. While progress is being made, we anticipate that it will be several more years before corrective actions are complete because of the size, complexity and integrated nature of many of these problems.

We have also noted that hundreds of non-material weaknesses have been identified and corrected as a result of agency managers self-assessments. While not individually material, collectively these improvements, which oftentimes center on ensuring compliance with existing policies or procedures, are important since implementation is where controls often breakdown.

While a lot remains to be done, we have also seen progress in terms of increased management awareness of the importance of good internal control and accounting systems. Many agency personnel have been committed to the act's implementation, and in the second-year there was again a lot of activity. It is now up to agency managers to build on the foundation established in the first two years.

We have identified a number of problems which have impeded progress. Among the important problems are:

--Most agencies have not satisfactorily evaluated their ADP operations, even though ADP is integral to agency control systems.

--More testing of systems in operation is needed to assure managers that controls are in place and operating as intended.

--Evaluations need to be more constant throughout the year and not compressed into a year end exercise to prepare the annual report.

--Managers need to gain a fuller understanding of the act and the reason for the evaluation process and ensure that they do not lose sight that the intent of the act is to strengthen systems and not to generate paperwork. Commitment and a positive attitude are needed if the act is to ultimately become the management tool the Congress envisioned.

With respect to developing internal control standards, we plan to continue to consult with OMB in implementating FIA. Among our ongoing efforts are the need for ADP guidance and recently issued accounting system review guidelines.

QUESTIONS SUBMITTED BY SENATOR BUMPERS

BUDGET INCREASES

QUESTION. The fiscal year 1986 GAO budget request is $339,639,000, an increase of $38,140,000 over the amount anticipated to be appropriated for fiscal year 1985. The budget also includes a request for 5,250 positions, an increase of 150 positions over the level authorized for fiscal year 1985. In addition, you are asking for 24 additional positions in the fiscal year 1985 supplemental appropriation bill.

Mr. Bowsher, what are the principal items of increase in the $38,140,000 and 150 position increase over fiscal year 1985?

ANSWER. The largest portion of this request, $16,796,000 is attributable to mandatory increases in personnel related costs including within grade increases, promotions, pay annualization and increased benefit payments. Also included in this amount are mandatory increases for office space, telecommunications charges and postage. Inflation accounts for another $3,486,000 in the areas of travel, transportation, printing and other contractual services. Another $7,215,000 is included for operational enhancements. These include funds for increased travel, additional employee training, equipment, and contractual services which would optimize the effectiveness of our work. The remaining $10,643,000 is included to support our request for new positions in fiscal year 1986. These positions would be allocated primarily in our areas of greatest emphasis: national defense, financial management, and information resources management.

BUDGET REDUCTION

QUESTION. The Budget Resolution calls for a 10 percent cut in the legislative branch. What effect would such a cut have on the GAO budget? What would be the effect if the GAO budget were frozen at last year's level?

ANSWER. In response to a question posed during our appropriation hearing before the House Subcommittee on Legislative Branch, we have supplied an extensive reply for that record. A copy of that letter follows and addresses your questions in detail.

LETTER FROM CHARLES A. BOWSHER

March 21, 1985

The Honorable Vic Fazio, Chairman
Subcommittee on Legislative Branch
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

At our recent appropriation hearing, we stated that we would appreciate the opportunity to work with you--in this very tight budget year--to show the effects on GAO of reductions at various levels and to propose a resource level that would permit GAO to absorb a reduction without requiring us to lose all of the important gains that we have made over the past several years. I would like to summarize these matters and to enclose more detailed information including the detailed analysis that we made of all of our "object class" requirements to reduce them where possible and mitigate in so far as possible, the need for staff reductions. Nevertheless reductions at the levels suggested will have a significant impact on GAO staffing.

A reduction of 5 percent below the level that we requested for FY 1986 would eliminate proposed increases in all GAO organizations except those performing defense, information management and technology, and accounting and financial management audits and evaluations. It would continue the reduced staffing levels in other GAO divisions made necessary when people were transferred from them to initially staff IMTEC. It would slow down our attempts to reorient work in the divisions to high payoff areas such as those I mentioned in my recent testimony before your committee including tax and financial institutions. Only small increases would be left in GAO's computer, defense and financial areas--those in which we know GAO's greatest future emphasis must be for reasons that I stressed in my testimony. These reductions would be necessary even after making shifts available to us such as closing GAO's office in Panama.

A reduction of 10 percent below the FY 1986 request level would take us to 5,025 staff years--25 staff years and 75 positions less than were provided GAO in FY 1985. At this level we would no longer be able to protect any increase in our computer, defense, or accounting work. It would be taken back to the FY 1985 level. Even to permit maintaining that work at the FY 1985 level, we would need to reduce all other GAO areas below their FY 1985 staffing levels. Given the fact that in some areas congressional request work is already at the 60, 70 or even 80 percent level, our ability to systematically move into the high pay-off areas that our planning has identified would be greatly circumscribed.

Our attempts to bring in the new talent that I believe we need to look at our programs differently--along the lines I mentioned in my testimony--would be difficult and perhaps not possible. As I mentioned in my March 1, 1985, letter to you, our success in achieving that level would require attrition and severe restrictions on hiring, possibly a hiring freeze. If attrition significantly dries up, as is possible in the case of government-wide budget cuts, a Reduction-In-Force or an agency-wide furlough could be possible.

A cut to the FY 1985 dollar level would provide us with only 4,967 staff years--a level that is below that authorized in FY 1977. It would be 133 staff years less than GAO's on-board authorization at the end of FY 1985. Its attainment would be even more dependent on continuation of normal attrition rates. This deep a cut would seriously erode the gains that--with your help--we have been able to make over the past several years. In common with the 10 percent reduction discussed above, it would set back GAO's training programs and defer the national recruitment program, both of which are important to the kinds of changes we are making in the way GAO approaches its work. All areas of GAO, including computer, defense and financial management, which we would be able to protect at lesser cut levels, would need to be reduced below FY 1985 levels.

Without our ability to continue with our national recruitment efforts we would seriously erode the gains we have made over the past year. We would not be able to meet commitments we have made with many colleges and universities. This would undermine our credibility in being able to attract the finest talent possible. We would also lose important gains which we have made in attracting the interest of prospective new employees who possess the specialized skill we need so badly. Also, without the ability to maintain our current level of training, we would not give our existing staff the tools that are so important to moving GAO in the directions we know it needs to go in certain specific areas. This would show up most quickly in the computer area, in evaluating defense programs and expenditures, and in helping to lead the federal government from its antiquated financial management approaches. But the problem would not be limited to them, all GAO divisions have program areas in which we are seeking significant new directions for our audit and evaluation work.

At this cut level, the problem would go beyond our attempts at improvement. We would, of course, meet GAO's congressional request work. But we would have increased difficulty in providing the range of audits and evaluations that is important to Congress' total oversight of federal programs and expenditures. Much of this work is performed under GAO's basic legislative requirements.

Our proposal suggests reductions that will help you achieve your objectives with the least negative impact on GAO while recognizing the constraints on your ability to fund GAO at the level we would both like to see. In our judgement this could be accomplished by providing GAO with $314,088,000 for FY 1986. This would fund GAO at the currently approved 5,100 staff year level with the understanding that we would use 75 of these staff years to bring people on board who have the specialized skills that GAO most needs. It would also provide GAO with funds to continue our introduction of microcomputers in GAO's audit and administrative operations, provide the key information systems required in connection with GAO's bid protest and fraud hot line functions, engage CPA firms to assist us in our government-wide financial audit efforts, and make needed renovations to GAO space, including proceeding with GSA's removal of asbestos from the GAO building.

While funding at this level will not permit us to move ahead as we would like, it will help us to preserve the initiatives which are progressing so well.

To assist you in evaluating the impacts that I have summarized above and our present proposal, I have enclosed the following:

--the staff level impacts of reductions at the various suggested levels. (Enclosure I)

--the object class reductions that would be made at each of the suggested levels. (Enclosure II)

--a description of how we will use the additional 75 staff years above the 10 percent cut level and a more detailed description of the expenditures that we would like to add above the 10 percent cut level for the special initiatives mentioned above. (Enclosure III)

We appreciate whatever you can do to provide funding for GAO at a level which will keep us moving forward in areas where we can make a major contribution to the Congress. As we progress, we will continue to place more emphasis on identifying specific activities which will reduce government costs or increase its revenues--consistent with the direction that the Congress has established for federal agencies and their programs.

Sincerely,

(signed) Charles A. Bowsher

Comptroller General
of the United States

Enclosure I

STAFFING REDUCTIONS

	FY 85 Rev. Est.	Difference	FY 86 Est.	5% Cut	10% Cut	10%+ Cut	Revised FY 86		
							5%	10%	10%+
Office Direction	25	-	25	-	-	-	25	25	25
Support Offices	626	+ 13	639	- 7	- 19	- 20	632	620	619
NSIAD	467	+ 14	481	- 12	- 14	- 16	469	467	465
GGD	395	+ 6	401	- 6	- 9	- 13	395	392	388
HRD	272	+ 8	280	- 8	- 9	- 11	272	271	269
RCED	432	+ 6	438	- 6	- 8	- 11	432	430	427
AFMD	265	+ 12	277	- 10	- 12	- 15	267	265	262
IMTEC	170	+ 27	197	- 24	- 27	- 31	173	170	166
PEMD	89	-	89	-	- 4	- 9	89	85	80
Regions & Overseas	2,077	+ 90	2,167	- 77	- 119	- 151	2,090	2,048	2,016
OCE	16	-	16	-	-	-	16	16	16
OGC	240	-	240	-	- 4	- 6	240	236	234
TOTAL	5,074	+ 176	5,250	- 150	- 225	- 283	5,100	5,025	4,967

SUMMARY OF PROPOSED REDUCTIONS

ENCLOSURE II

CATEGORY	1985 Est.	1986 Req.	Cuts to 86 5%	Cuts to 86 10%	Cuts to 86 10%+	Rev. 86 5%	Rev. 86 10%	Rev. 86 10%+
11.00	199,440,000	214,463,000	(5,516,200)	(10,434,900)	(12,608,400)	208,946,800	203,968,100	201,854,600
12.00	2,075,000	2,318,000	(200,000)	(200,000)	(200,000)	2,118,000	2,118,000	2,118,000
12.30	22,464,000	26,188,000	(934,400)	(1,427,200)	(1,755,650)	25,253,600	24,760,800	24,432,350
13.00	262,000	286,000	-0-	-0-	-0-	286,000	286,000	286,000
21.00	16,200,000	18,538,000	(850,000)	(2,338,000)	(2,338,000)	17,688,000	16,200,000	16,200,000
22.00	715,000	751,000	(20,000)	(20,000)	(20,000)	731,000	731,000	731,000
23.11	800,000	840,000	(40,000)	(40,000)	(40,000)	800,000	800,000	800,000
23.12	466,000	575,000	(40,000)	(102,000)	(102,000)	535,000	473,000	473,000
23.13	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
23.14	881,000	961,000	(41,000)	(123,900)	(123,900)	920,000	837,100	837,100
23.15	975,000	1,582,000	(93,000)	(453,000)	(453,000)	1,489,000	1,129,000	1,129,000
23.19, 23.22, 23.60	85,000	108,000	-0-	(24,000)	(24,000)	108,000	84,000	84,000
23.21	18,900,000	24,788,000	(4,988,000)	(4,988,000)	(4,988,000)	19,800,000	19,800,000	19,800,000
23.31, 23.32, 23.33, 23.39	3,949,000	4,670,000	(50,000)	(50,000)	(50,000)	4,620,000	4,620,000	4,620,000
23.40, 23.50	1,430,000	1,726,000	(62,000)	(100,000)	(100,000)	1,664,000	1,626,000	1,626,000
24.00	1,724,000	3,092,000	(49,000)	(1,508,500)	(1,508,500)	3,043,000	1,583,500	1,583,500
25.10, 25.11, 25.12, 25.13, 24.14, 25.15	2,146,000	2,831,000	(230,400)	(685,000)	(685,000)	2,600,600	2,146,000	2,146,000
25.21, 25.22	13,907,000	14,636,000	(1,731,000)	(5,030,000)	(7,030,000)	12,905,000	9,606,000	7,606,000
25.23, 25.24, 25.25, 25.37	1,424,000	2,071,000	-0-	(349,000)	(349,000)	2,071,000	1,722,000	1,722,000
25.31	375,000	615,000	-0-	-0-	-0-	615,000	615,000	615,000
25.32	371,000	480,000	(15,000)	(80,000)	(80,000)	465,000	400,000	400,000
25.33	115,000	127,000	(17,000)	(17,000)	(17,000)	110,000	110,000	110,000
25.34	13,000	14,000	-0-	-0-	-0-	14,000	14,000	14,000
25.36	30,000	35,000	-0-	-0-	-0-	35,000	35,000	35,000

SUMMARY OF PROPOSED REDUCTIONS

CATEGORY	1985	1986		Cuts to 86			Rev. 86	
	Est.	Req.	5%	10%	10%+	5%	10%	10%+
25.38, 31.10, 31.20, 32.10	2,024,000	3,254,000	(600,000)	(1,754,000)	(2,054,000)	2,654,000	1,500,000	1,200,000
25.35, 25.40	7,681,000	9,648,000	(900,000)	(1,369,000)	(2,969,000)	8,748,000	8,279,000	6,679,000
26.00	2,247,000	3,295,000	(80,000)	(855,000)	(855,000)	3,215,000	2,440,000	2,440,000
31.30	125,000	200,000	(100,000)	(150,000)	(150,000)	100,000	50,000	50,000
31.40	97,000	355,000	(129,000)	(258,000)	(355,000)	226,000	97,000	-0-
31.41	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
31.42	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
31.43	243,000	287,000	(130,000)	(235,000)	(287,000)	157,000	50,000	-0-
31.44	300,000	870,000	(166,000)	(435,700)	(618,550)	704,000	434,300	251,450
42.10	35,000	35,000	-0-	-0-	-0-	35,000	35,000	35,000
TOTALS	301,499,000	339,639,000	(16,982,000)	(33,087,200)	(39,761,000)	322,657,000	306,549,800	299,878,000

Enclosure II

CATEGORY: 11.00 Personnel Compensation

5/03/85

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
199,440,000	214,463,000	(5,516,200)	(10,494,900)	(12,608,400)	208,946,800	203,968,100	201,854,600

5% Cut

We would have to reduce our staff years by 150 for a total of 5,100 in FY 1986.

10% Cut

At this level, we would have to reduce our staff years by 225 for a total of 5,025 in FY 1986.

10%+ Cut

We would have to reduce our staff years by 283 for a total of 4,967 in fiscal year 1986.

CATEGORY: 12.00 Miscellaneous Benefits

1985 Est.	1986 Req.	Cuts to 86 5%	Cuts to 86 10%	Cuts to 86 10%+	Rev. 86 5%	Rev. 86 10%	Rev. 86 10%+
2,075,000	2,318,000	(200,000)	(200,000)	(200,000)	2,118,000	2,118,000	2,118,000

5%/10%/10%+ Cuts

Our FY 1986 estimate included a program increase of $200,000 for a relocation service that would make it possible for us to relocate key employees when it is impossible for them to sell their homes. If cut we would drop this benefit to our employees and not require them to move in situations where they cannot sell their homes. In some cases this would affect our ability to relocate key personnel into management and other key positions in response to agency needs.

CATEGORY: 12.30 Salary Related Benefits

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
22,464,000	26,188,000	(934,400)	(1,427,200)	(1,755,650)	25,253,600	24,760,800	24,432,350

5% Cut

This reflects a reduction in salary-related benefits associated with a 150 staff year decrease.

10% Cut

This reflects a reduction in salary-related benefits associated with a 225 staff year decrease.

10%+ Cut

This reflects a reduction in salary-related benefits associated with a 283 staff year decrease.

CATEGORY: 13.00 Benefits for Former Personnel

(5050 SYs)	(5250 SYs)						
1985	1986		Cuts to 86			Rev. 86	
Est.	Req.	5%	10%	10%+	5%	10%	10%+
262,000	286,000	-0-	-0-	-0-	286,000	286,000	286,000

This account covers Unemployment Compensation for all GAO employees as well as benefits for former Comptroller General Elmer B. Staats.

CATEGORY: 21.00 Travel

1985 Est.	1986 Req.	Cuts to 86 5%	Cuts to 86 10%	Cuts to 86 10%+	Rev. 86 5%	Rev. 86 10%	Rev. 86 10%+
16,200,000	18,538,000	(850,000)	(2,338,000)	(2,338,000)	17,688,000	16,200,000	16,200,000

5% Cut

This reduction is associated with the additional staff year increase.

10%Cut/10%+ Cut

At this level we would have to reduce travel to a level that will actually be lower than what we traveled in FY 1984. This will result primarily from our absorption of inflationary increases over which we have no control.

	1984	1985	1986
Days in travel status	98,464	102,000	97,300

The number of locations visited in performing some jobs will need to be cut back as well as the number of people traveling to job sites to collect and analyze data. It will affect the overall quality and in some cases, the timeliness of our work. Also, as year end approaches, we may need to curtail travel significantly, depending upon travel demands generated by congressional request work earlier in the year. This would result in slowing down work on some jobs until the next fiscal year begins.

CATEGORY: 22.00 Transportation of Things

1985	1986		Cuts to 86			Rev. 86	
Est.	Req.	5%	10%	10%+	5%	10%	10%+
715,000	751,000	(20,000)	(20,000)	(20,000)	731,000	731,000	731,000

5%/10%/10%+ Cut

Regional Offices will need to buy their supplies locally rather than us buying bulk quantities here and shipping them to the regions. This will not cost the regions appreciably more but they cannot get some items we can and they will need to improvise.

CATEGORY: 23.11 Rental-ADP Equipment (Non-Micros's)

1985 Est.	1986 Req.	Cuts to 86			Rev. 86		
		5%	10%	10%+	5%	10%	10%+
800,000	840,000	(40,000)	(40,000)	(40,000)	800,000	800,000	800,000

5%/10%/10%+ Cut

A 5% cut to this category would reduce us to the FY 1985 funding level. We had estimated a 5% inflationary increase in costs for FY 1986. We did not plan to increase the amount of equipment in this category beyond the 1985 level.

CATEGORY: 23.12 Rental of Duplicating Equipment

1985 Est.	1986 Req.	Cuts to 86 5%	 10%	 10%+	Rev. 86 5%	 10%	 10%+
466,000	575,000	(40,000)	(102,000)	(102,000)	535,000	473,000	473,000

5% Cut

This reduces the fiscal year 1986 estimate by the amount estimated for staff year increases.

10%/10%+ Cut

This will prevent us from bringing in any additional copiers in 1986. There are several audit sites where it is becoming increasingly difficult to get agency copier support. We would have particular problems at these locations.

CATEGORY: 23.14 Rental of Automated Office Equipment

1985 Est.	1986 Req.	Cuts to 86			Rev. 86		
		5%	10%	10%+	5%	10%	10%+
881,000	961,000	(41,000)	(123,900)	(123,900)	920,000	837,100	837,100

5% Cut

A 5% cut to this category would reduce the 1986 funding level by the amount budgeted for 8 additional word processing machines to support requested staff increases.

10%/10%+ Cut

A cut at this level would eliminate funding to support new staff, eliminate the acquisition of 7 additional word processing machines for current staff, and would also require us to discontinue leasing 8 word processing machines which we already have in the agency.

An effective word processing capability is an essential part of our overall operations . It becomes extremely frustrating for our professional staff to complete their work and then experience significant delays in typing due to the unavailability of the necessary equipment. We are currently in a situation where we are unable to satisfy all of the requests for equipment that we receive. This would serve only to exacerbate that problem.

CATEGORY: 23.15 Rental of Microcomputers

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
975,000	1,582,000	(93,000)	(453,000)	(453,000)	1,489,000	1,129,000	1,129,000

5% Cut

A cut at the 5% level would not permit us to acquire any additional machines to support requested staff increases.

10%/10%+ Cut

GAO's acquisition of microcomputers, which we have called "Electronic Workstations" (EWS), has been guided by a concept that we developed in 1980. That concept asserted that the agency must actively seek to integrate end-user information processing technology into our audit process. The changes in the audit environment required that we move swiftly to obtain efficiencies offered by microcomputer-based multifunction workstations. To that end, we have sought equipment and software to automate five key functions related to the development of our reports to the Congress: data gathering, data analysis, report writing, text/data communication, and word processing. In addition, we have instituted a program to introduce EWS concepts to the audit staff and to increase their computer skills. We are hiring new people who have had extensive training in the use of these tools and it is becoming increasingly important for us to be able to provide our people with the technical support capability that they have been trained to use in doing their job.

We currently have 444 microcomputers in GAO. In 1985, we have the capability of leasing an additional 1,087 machines which would permit us to provide one machine for about every four auditors. If we reduce this category by the above amount, we would not be able to continue to lease the same number of machines in FY 1986 as we have in FY 1985. We would need to return some machines. As a result, we would not be able to do our work as quickly and efficiently as we can if these tools are available. We are concerned that if we are not able to provide these basic tools in today's audit environment that it will be extremely difficult for us to attract and hire the kind of people we need with the skills necessary to do our work efficiently.

CATEGORY: 23.21 Rental of Office Space

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
18,900,000	24,788,000	(4,988,000)	(4,988,000)	(4,988,000)	19,800,000	19,800,000	19,800,000

5% Cut

Eliminates

— $4,400,000 for office space. Our FY 1986 estimate was based on a planned GSA rate increase. That increase was cancelled after our submission of the 1986 GAO budget estimate to the Congress. We, therefore, do not need the funding.

— $ 588,000 reduction for space for requested staff year increase.

10%/10%+ Cut

— Same as 5% cut.

CATEGORY: 23.19 & 23.22 Miscellaneous Rentals & 23.60 Rental of ADP Software

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
85,000	108,000	-0-	(24,000)	(24,000)	108,000	84,000	84,000

10%/10%+ Cut

This category includes rental costs for facsimile machines, teleconference equipment, airline reservation system equipment, and some other additional miscellaneous equipment. It also includes funding for the rental of conference facilities for meetings, conferences, award ceremonies and other activities for which we do not have adequate facilities in headquarters and in our regional offices. The reduction in this category would require us to cut back on the use of outside conference space.

CATEGORY: 23.31, 23.32, 23.33 & 23.39 Telephone Services

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
3,949,000	4,670,000	(50,000)	(50,000)	(50,000)	4,620,000	4,620,000	4,620,000

5%/10%/10%+ Cut

This reduces the FY 1986 estimate by the amount estimated for staff year increases. Since divestiture, we have experienced significant increases in local telephone costs. We expect those costs to continue to rise in FY 1986.

CATEGORY: 23.40 & 23.50 Mailgrams & Postage & Fees

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
1,430,000	1,726,000	(62,000)	(100,000)	(100,000)	1,664,000	1,626,000	1,626,000

5% Cut

Cut by amount budgeted for new staff.

10%/10%+ Cut

The above reduction in this category would eliminate availability of the use of mailgrams to follow-up on questionnaires used in our audit work. Mailgrams have been an effective tool in helping us get responses necessary to insure the validity of our sampling. Postage costs remain unchanged as they are unlikely to decrease.

CATEGORY: 24.00 Printing and Reproduction

1985 Est.	1986 Req.	Cuts to 86 5%	 10%	 10%+	Rev. 86 5%	 10%	 10%+
1,724,000	3,092,000	(49,000)	(1,508,500)	(1,508,500)	3,043,000	1,583,500	1,583,500

5% Cut

This reduction eliminates the costs associated with the requested staffing increase.

10%/10%+ Cut

This reduction eliminates all microfiching of the legislative histories and manuscript files of Comptroller General decisions. In addition, we would have to restrict our use of graphics services and the printing of letterhead, forms, and other printed supplies.

CATEGORY: 25.10, 25.11, 25.12, 25.13, 25.14, 25.15 - Training — Government & Non-Government

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
2,146,000	2,831,000	(230,400)	(685,000)	(685,000)	2,600,600	2,146,000	2,146,000

5% Cut

This reduction is associated with the requested staff year increase and a small reduction in external training at colleges and universities on an after hours basis.

10%/10%+ Cut

At this level, we would have to reduce our internal training programs in the ADP area and the purchase of computer assisted instruction packages. It would also restrict our ability to send staff to external training courses designed to keep them abreast of the latest developments in their field's expertise.

CATEGORY: 25.21, 25.22 Government and Non-Government Computer Services

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
13,907,000	14,636,000	(1,731,000)	(5,030,000)	(7,030,000)	12,905,000	9,606,000	7,606,000

5% Cut

The cut in this category would eliminate increases we had budgeted for requested staff year increases. It would also require us to reduce the amount of computer time available to our auditors through time sharing services making it more difficult for them to perform complex assignments requiring the manipulation of large amounts of data. It would not permit us to make changes to our payroll system that are needed to avoid the manual processing of many payroll transactions which, if automated, would greatly improve the controls and proper accounting interfaces. And, it would require us to cut back considerably on the use of outside consulting help in dealing with internal ADP problems as well as ADP issues associated with audit jobs.

10% Cut

In addition to the reductions in the 5% category, we would need to reduce our original estimate for CAMIS by $3,331,000. This would leave us with $2,000,000 to use in pursuing an alternative to our original CAMIS contract. We agree with the House investigative report on CAMIS that a phased approach to solving our administrative data processing needs will be required. We can use much of the requirements work that was done on CAMIS to help us identify an interim solution to some of our more pressing internal financial management needs while we are developing our long range ADP plan. The amount of money remaining at this level would permit us to make some essential changes but would not permit us to proceed with the re-institution of CAMIS.

10%+ Cut

The amount shown in this category would impact us as described in the 5% and 10% above and in addition would remove all funding for making interim changes to current financial management systems pending the outcome of the long range plan and a CAMIS alternative. This would force us to remain with existing contractors and systems creating significant problems in properly administering internal financial management operations.

CATEGORY: 25.23, 25.24, 25.25, 25.37 Maintenance - ADP & Non-ADP

1985 Est.	1986 Req.	Cuts to 86			Rev. 86		
		5%	10%	10%+	5%	10%	10%+
1,424,000	2,071,000	-0-	(349,000)	(349,000)	2,071,000	1,722,000	1,722,000

10%/10%+ Cut

This cut reflects a reduction in maintenance costs for Micros, and xerox machines that corresponds with necessary hardware reductions to achieve a 10% or higher cut.

CATEGORY: 25.31 Security Investigations

1985	1986		Cuts to 86			Rev. 86	
Est.	Req.	5%	10%	10%+	5%	10%	10%+
375,000	615,000	-0-	-0-	-0-	615,000	615,000	615,000

The funding in this category would provide only the amount necessary for investigations on new staff and updates on current staff to allow proper access to classified data.

CATEGORY: 25.32 Health Services

1985	1986		Cuts to 86			Rev. 86	
Est.	Req.	5%	10%	10%+	5%	10%	10%+
371,000	480,000	(15,000)	(80,000)	(80,000)	465,000	400,000	400,000

5% Cut

Reduces funding for additional staff year request.

10%/10%+ Cut

This would require us to restrict the number of people who are authorized to participate in the bi-annual physical exam program at the health unit. It would also curtail special programs for employees such as diabetes tests, glaucoma tests, and other employee health maintenance initiatives.

CATEGORY: 25.33 Foreign Affairs Administrative Support

1985 Est.	1986 Req.	Cuts to 86			Rev. 86		
		5%	10%	10%+	5%	10%	10%+
115,000	127,000	(17,000)	(17,000)	(17,000)	110,000	110,000	110,000

5%/10%/10%+ Cut

This reduction is associated with the closing of our Panama Office.

CATEGORY: 25.34 Credit Reports

1985 Est.	1986 Req.	Cuts to 86			Rev. 86		
		5%	10%	10%+	5%	10%	10%+
13,000	14,000	-0-	-0-	-0-	14,000	14,000	14,000

These services are required for Claims to perform their function. It would be too disruptive to reduce this small amount.

CATEGORY: 25.35 & 25.40 Government & Non-Government Contract Services

1985	1986		Cuts to 86			Rev. 86	
Est.	Req.	5%	10%	10%+	5%	10%	10%+
7,681,000	9,648,000	(900,000)	(1,369,000)	(2,969,000)	8,748,000	8,279,000	6,679,000

5% Cut

This would reduce FY 1986 consulting service contracts in support of audit jobs. These contracts are used for congressional jobs where we do not have specialized in-house capabilities needed to properly evaluate specific issues.

10% Cut

This would cut the same as the 5% level and in addition would require us to curtail our plans to enhance acquisition, circulation and cataloging capability in our Technical Library.

10%+ Cut

This would cut the same as the 10% level and, in addition, would eliminate the planned use of public accounting firms to assist us in our efforts to conduct a comprehensive financial audit of the federal government.

CATEGORY: 25.36 Storage of Household Goods

1985 Est.	1986 Req.	Cuts to 86			Rev. 86		
		5%	10%	10%+	5%	10%	10%+
30,000	35,000	-0-	-0-	-0-	35,000	35,000	35,000

This funding will support a minimal number of Permanent Duty Station moves.

CATEGORY: 25.28, 31.10, 31.20, & 32.10 - Maintenance of Leadeholds, Lands and Structures and Capitalized and Non-Capitalized Furniture and Equipment

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
2,024,000	3,254,000	(600,000)	(1,754,000)	(2,054,000)	2,654,000	1,500,000	1,200,000

5% Cut

This reduction would eliminate the planned purchase of furniture and equipment associated with the requested staffing increase. It would also require that we delay the renovation of several areas in the GAO building which are in great need of repair.

10% Cut

At this level, we would be forced to delay the renovation and removal of asbestos from a number of areas in the GAO building. GSA is currently conducting a project in the GAO building to remove all asbestos. It is a major undertaking phased over several years and will require us to move portions of our people out of contaminated areas while GSA removes Asbestos lined heating and air conditioning ducts, asbestos ceilings, and asbestos coatings on walls and pipes. Following asbestos removal it is necessary for us to reconstruct, recarpet and provide some refurnishing of offices to which our people will return. All contaminated fabric (furniture and carpeting) must be replaced and it's important for us to be able to return our people to accomodations which are at least comparable to those they left. In many cases we need to make some improvements to the status-quo. In preparing our initial budget estimates for this effort we were careful to restrict to the fullest extent possible unneccessary costs associated with providing acceptable office space for our staff.

If we have to cut funding in this area, we would need to eliminate asbestos abatement efforts thereby delaying the removal of asbestos from the Building. We believe it is important to take immediate action to remove asbestos from areas of the building where air sampling analyses indicate its presence at dangerous levels.

CATEGORY: 26.00 Supplies and Materials

1985	1986		Cuts to 86			Rev. 86	
Est.	Req.	5%	10%	10%+	5%	10%	10%+
2,247,000	3,295,000	(80,000)	(855,000)	(855,000)	3,215,000	2,440,000	2,440,000

5% Cut

Would eliminate supplies associated with new staff increases.

10%/10%+ Cut

A portion of this reduction is directly related to decreases in the number of word processing and microcomputers planned for acquisition in FY 1986. We will have to monitor our use of office supplies closely in fiscal year 1986 in order to achieve the remainder of this reduction.

CATEGORY: 31.30 Books for Permanent Collection

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
125,000	200,000	(100,000)	(150,000)	(150,000)	100,000	50,000	50,000

5%/10%/10%+ Cut

Reductions in this category will result in curtailing the number of books and technical manuals used by our professional audit staff. The largest impact will be felt in highly technical areas where updates and new materials are frequently published that need to be available to our staff.

CATEGORY: 31.40 Capitalized ADP Equipment

1985	1986		Cuts to 86			Rev. 86	
Est.	Req.	5%	10%	10%+	5%	10%	10%+
97,000	355,000	(129,000)	(258,000)	(355,000)	226,000	97,000	-0-

5% Cut

To achieve this reduction, we would have to cancel the planned acquisition of a minicomputer system to assist our fraud group in tracking their cases. We are currently using a teleprocessing service to track our cases which, however, does not adequately meet our needs. Ability to purchase such a system would greatly enhance administration of our fraud work and would result in savings over the long run.

10% Cut

In addition to canceling the acquisition of the minicomputer for our fraud hotline, to achieve this reduction we would have to cancel the planned acquisition of a minicomputer system to allow our Office of General Counsel to track bid protest cases. Without such a system, it will be extremely difficult to ensure that we meet the 90-day deadline as mandated in the Competition in Contracting Act, for ruling on bid protests referred to GAO.

10%+ Cut

At this level, we would be forced to eliminate all purchases of ADP equipment. Inability to purchase the two minicomputer systems would adversely affect our bid protest work, and our fraud work. In addition, we would be unable to purchase any new terminals. As our audit staff begin to use computers more and more in their work the demand for terminals that can access mainframe systems has increased. Not being able to provide these terminals will seriously restrict our ability to do the kind of review and evaluation that is necessary on many of our jobs.

CATEGORY: 31.43 Purchase of Micro Hardware

1985 Est.	1986 Req.	Cuts to 86 5%	 10%	 10%+	Rev. 86 5%	 10%	 10%+
243,000	287,000	(130,000)	(235,000)	(287,000)	157,000	50,000	-0-

5% Cut

This reduction would eliminate the planned purchase of microcomputers for special applications use in several of our administrative areas. The biggest impact would be felt in our training branch because we would be unable to provide a sufficient number of microcomputers for use in training our professional staff.

10% Cut

This reduction would eliminate the planned purchase of microcomputers needed for our technical divisions that have special microcomputing needs that have to be met in order for them to effectively perform their work. Without such equipment, their capability to perform work in a more effective manner will continue to be limited.

10%+ Cut

At this level, we would be unable to provide any equipment for special applications use. Thus, we will severely limit our capability to enhance the efficiency and effectiveness of our work.

CATEGORY: 31.44 Purchase of Micro Software

1985	1986	Cuts to 86			Rev. 86		
Est.	Req.	5%	10%	10%+	5%	10%	10%+
300,000	870,000	(166,000)	(435,700)	(618,550)	704,000	434,300	251,450

5% Cut

This reduction would require us to restrict the purchase of software packages for use on the microcomputers requested to support planned staff year increases in FY 1986.

10% Cut

This reduction is directly related to the reduced number of microcomputers we would be able to lease and/or purchase during fiscal year 1986, given a 10% budget reduction.

10%+ Cut

This reduction is associated with the reduced number of microcomputers planned for lease and/or purchase in fiscal year 1986 under the 10%+ cut reduction. In addition, we would be unable to procure newly-designed and tested software packages for use by the staff. This would mean continued use of "outdated" software packages in some instances, and inability to capitalize on new developments in software.

CATEGORY: 42.10 Insurance/Claims and Indemnities

1985 Est.	1986 Req.	Cuts to 86			Rev. 86		
		5%	10%	10%+	5%	10%	10%+
35,000	35,000	-0-	-0-	-0-	35,000	35,000	35,000

This category provides funding for payment on claims of life insurance policies, annuities paid from trust funds to former employees and others, indemnities for destruction or injury of property and other losses. We have no control over this amount.

Enclosure III

PROPOSED FY 1986 FUNDING

Fiscal Year 1986 Appropriation Request		$339,639,000
Minus:		
10 percent reduction		- 33,963,000
Add-ons:		
I. 75 staff years	+ 3,210,000	
II. Microcomputers	+ 1,590,000	
III. Facilities	+ 1,754,000	
IV. Mini-systems	+ 258,000	
V. Government-wide Financial Audits	+ 1,600,000	
		+ 8,412,000
Fiscal Year 1986 Revised Appropriation Level		$314,088,000

I. Seventy-Five Additional Staff Years + $ 3,210,000

Computers and Telecommunications. GAO's needs in the computer and telecommunications areas are well-known and documented in previous budget submissions and hearings. While GAO has staff with a very high level of technical proficiency in these areas, a large proportion of staff now performing related work are restricted in the kinds of assignments they can undertake because of their relatively limited technical skills. Our immediate objective in FY 1985 and beyond is to enhance the skills of these staff members through intensive training and development. In addition to these needs that can be met by training, we will recruit staff with a working knowledge of

-- the underlying principles of computer science and telecommunications;

-- computer systems architectures, including multiprocessors, vector machines, and distributed systems;

-- telecommunications systems architectures for both voice and data systems and associated network architectures, and associated protocols.

-- ADP and telecommunications systems security problems and approaches to their technical solutions.

-- operating systems, programming languages, data structures, and data management systems and techniques.

While these additional professionals with enhanced skills will enhance our ability to address complex technical issues associated with assignments planned for the near term, several key areas remain uncovered.

Federal Government Financial Management Systems. There is a need to supplement GAO staff with skills and experience in building, integrating, and auditing comprehensive financial management systems. While GAO has staff with an accounting background, they are experienced with existing government systems. To make the improvements needed, we need staff with experience and skills in building and auditing modern, integrated financial management systems, utilizing computer technology. We do not have sufficient depth in this area to demonstrate the benefits of improved systems. Further, GAO is required to provide consultative services to executive agencies in building such accounting and financial management systems. To help meet these needs, we will recruit:

-- staff with skills and experience in advanced accounting theory and practice and in building financial management systems in private industry and at the state and local government level,

-- staff with highly-developed technical skills to provide formal and on-the-job training of financial auditors in new, advanced techniques such as computers for financial auditing and the use of microcomputers in doing financial audits. The introduction of these skills will provide an in-house cadre who will assist in developing, within our staff, and the staffs of participating Inspectors General, state-of-the-art financial auditing skills. This is needed, to permit GAO to conduct an audit of the consolidated financial statements of the federal government, and

-- senior professional accountants with experience in managing very large financial audits are needed to supervise the large number of newly-trained staff who will be conducting the financial audits of the government and its major departments and agencies.

Defense. The significant growth and expected future growth in defense expenditures requires that GAO devote a significant part of its resources to assuring that such funds are spent effectively and appropriately. Audit and evaluation of defense programs and expenditures requires a high-level of expertise over a wide range of disciplines and of complex programs. To help meet these needs, GAO will hire:

-- senior procurement experts, who have the skills to review and identify major issues, and recommend appropriate courses of action that could be expected to achieve cost-savings and greater effectiveness. Because of the major modernization programs of the services, together with the repeated problems associated with spare parts, multi-year procurement, quality of work and cost overruns, high level procurement expertise is critical to the carrying-out of an effective audit program.

-- a high-level logistics expert, to insure that GAO audit work is increased and concentrated on the most appropriate logistics areas. The continuing surfacing of logistic problems -- together with the increasing recognition of those "hidden" costs associated with the fielding of major weapons systems purchases by the services -- highlight the need within GAO for a vigorous audit program aimed at identifying such logistics-related problems for the Congress. As a result, GAO has to continue developing the high-level logistics experience necessary to insure that its audit efforts are targeted at the most likely sources for review.

-- an electronics engineer, operations research analysts, cost analysts and a computer systems analyst to assist project managers in the design, methodology, and technical aspects of an assignment -- transferring study objectives into a measurable research problem, designing survey and measured instruments and providing engineering and data processing support. These additions will enhance the targeting, timeliness and results of GAO's defense-related work.

-- staff with knowledge of the exact and complex nature of the threat assessment process, including the role of intelligence in this process and skills to make the analysis of how threat is translated into weapon system requirements. In the past, GAO has not attempted to conduct reviews in this area and has therefore not developed in-house expertise. Threat assessments form the basis for weapons system purchases and other force changes and the expenditures associated with these changes cannot be fully understood or endorsed unless there also is a fundamental understanding of the underlying assessments. Although we are entering this area cautiously and slowly, the need for expertise is paramount to progress and success. Without the requested help, it is doubtful that our plans to review the threat assessment area can make satisfactory progress.

Tax Administration and Tax Policy. Tax economists are needed to enable GAO to address growing concerns over the administration of tax laws and to evaluate the implications of proposed tax law and tax policy changes. Specifically, staff are needed to address issues associated with tax expenditures, tax shelters and unreported income. To help meet these needs, we will recruit:

-- staff with economics and tax education and work experience.

Financial Institutions. The financial services industry is changing rapidly. The impact of those changes on the industry and the public it services is not wholly understood. GAO needs experienced staff with economics and banking backgrounds to address issues dealing with the effects and impacts of regulation changes and the risks and appropriateness of current regulations. To help meet these needs, we will recruit:

-- staff with economic and/or banking experience and education.

Health Care/Income Security. One of the most significant issues facing government and the public is that of containing health costs and providing adequate security for the increasing number of Americans who are elderly and require assistance. GAO can add significantly to debate on these issues by identifying ways to reduce federal and national health care costs and the cost of managing income security programs. To do this effectively, we need health and labor economists to supplement our existing staff. Their skills can be effectively used to help focus our work and recommendations to the most important and fruitful areas. To help meet these needs, we will recruit:

-- staff with experience and education in the health, income security and economic impact areas.

I. **Microcomputers** + $ 1,590,000

Restoration of these reductions will allow us to continue the introduction of microcomputers into GAO's audit and administrative operations.

GAO's acquisition of microcomputers, which we have called "Electronic Workstations" (EWS), has been guided by a concept that we developed in 1980. That concept asserted that the agency must actively seek to integrate end-user information processing technology into our audit process. The changes in the audit environment required that we move swiftly to obtain efficiencies offered by microcomputer-based multifunction workstations. To that end, we have sought equipment and software to automate five key functions related to the development of our reports to the Congress: data gathering, data analysis, report writing, text/data communication, and word processing. In addition, we have instituted a program to introduce EWS concepts to the audit staff and to increase their computer skills. We are hiring new people who have had extensive training in the use of these tools and it is becoming increasingly important for us to be able to provide our people with the technical support capability that they have been trained to use in doing their job.

We currently have 444 microcomputers in GAO. In 1985, we have the capability of leasing an additional 1,087 machines which would permit us to provide one machine for about every four auditors. If we reduce this category by the above amount, we would not be able to continue to lease the same number of machines in FY 1986 as we have in FY 1985. We would need to return some machines. As a result, we would not be able to do our work as quickly and efficiently as we can if these tools are available. We are concerned that if we are not able to provide these basic tools in today's audit environment that it will be extremely difficult for us to attract and hire the kind of people we need with the skills necessary to do our work efficiently.

I. **Facilities** + $ 1,754,000

GSA is currently conducting a project in the GAO building to remove all asbestos. It is a major undertaking phased over several years and will require us to move portions of our people out of contaminated areas while GSA removes asbestos-lined heating and air conditioning ducts, asbestos ceilings and asbestos coatings on walls and pipes. Following asbestos removal, it is necessary for us to reconstruct, recarpet and provide some refurnishing of offices to which our people will return. All contaminated fabric (furniture and carpeting) must be replaced and it is important for us to be able to return our people to accommodations which are at least comparable to those they left and in many cases we need to make some improvements to the status quo. In preparing our initial budget estimates for this effort, we were careful to restrict to the fullest extent possible unnecessary costs associated with providing acceptable office space for our staff.

If we have to cut funding in this area, we would need to eliminate asbestos abatement efforts, thereby delaying the removal of asbestos from the building. We believe it is important to take immediate action to remove asbestos from areas of the building where air sampling analyses indicate its presence at dangerous levels.

IV. **Mini-systems** + $ 258,000

There are two mini-systems that are particularly important for us to install in FY 1986. One will support our Fraud Task Force in tracking and following-up on allegations of Fraud Waste and Abuse, and the other will support our tracking of bid protest cases under the Competition in Contracting Act.

Our Fraud Task Force continues to deal with an increasing number of allegations of Fraud Waste and Abuse throughout the government. It is necessary for them to track each case and take necessary actions to follow-up with executive agencies until a satisfactory report is received and the case can be closed. The timesharing system we now use does not adequately meet our needs. We have not added staff in this area and believe that the acquisition of a mini-system to help us keep pace with the workload is well justified.

We are also expecting a significant increase in our bid protest work during FY 1986. The Competition in Contracting Act has placed new time limitations on our handling of bid protest cases that require us to track carefully the progress of each case. For our start-up effort, we have used a case tracking system at the Department of Labor; however, that system does not meet all of our requirements. In order for us to properly track cases and control them, we need a small system in GAO to support our needs.

V. Government-Wide Financial Audits + $ 1,600,000

A ten percent or greater reduction in GAO's 1986 budget would cause a serious setback in our program to improve financial management in the federal sector. We have planned and are undertaking several initiatives calculated to expose and strengthen areas of weak and inefficient financial management in agencies. We plan to provide leadership in bringing about real improvements -- our recent report, **Managing the Cost of Government**, exemplifies this. In order to supplement our skills and bring about a comprehensive audit of the financial statements of the federal government we have planned to employ outside CPAS; without the necessary funding we can not proceed with our program. To attempt such an audit without these resources would result in a very protracted effort and would reduce the staff available for working on our other financial management initiatives that are described above. We had also counted on using outside expertise to assist us in research and other efforts designed to improve financial management -- such as improving the financial controls and reporting for federal pension plans, insurance programs, and loan programs.

FINANCIAL MANAGEMENT IMPROVEMENT

QUESTION. I understand that the Comptroller General issued a two-volume report in February 1985 on "Managing the Cost of Government--Building an Effective Financial Management Structure." Briefly, what is the essence or message of this report? How does it relate to the GAO budget request?

ANSWER. The report discusses the major problems in the government's financial management, and proposes a comprehensive, integrated approach to reform. Following are key points of the report.

MAJOR PROBLEMS

The shortcomings of the present federal financial management system are numerous and well-documented. The report emphasizes five problem areas that dramatically demonstrate our need to overhaul the system:

Lack of Cost Information

Today's financial reports provide a flood of information. Yet they contain little reliable cost data essential for effectively monitoring program execution, anticipating overruns, and providing a basis for future program and budget planning.

Lack of Reliable Information on Weapon Systems

Current project reporting systems generally are not tied directly to the accounting and budgeting systems. The reports, all too often, are incomplete, inconsistent and unreliable. Significant changes may be reported too late for remedial action to be taken.

Inadequate Disclosure of Costs and Liabilities

Major commitments of federal resources, such as retirement benefits, are only partially recognized in the budget. Other activities, such as the $106.9 billion loan portfolio of the Federal Financing Bank, have been excluded from the budget totals. They were included in the President's 1986 budget reflecting the President's plan to submit legislation that would change existing law excluding these activities.

Unstructured Planning for Capital Investment

The federal government plays a major role in determining the level of investment for public capital facilities. Yet these vitally important decisions are made in an uncoordinated fashion, and the government's overall approach to capital budgeting provides capital expenditures little visibility in the budget process.

Antiquated Financial Management Systems

The federal government is the largest and most complex operating organization in the world. Its basic approach to financial management, however, is obsolete and inefficient. Many federal systems employ outdated equipment and are not designed to provide the information needed by managers, policy officials, and the Congress.

REFORM WILL REQUIRE A COMPREHENSIVE, INTEGRATED APPROACH

Previous efforts to remedy these and other problems have been piecemeal and partial. Successful reform requires a comprehensive, integrated approach. It should be government-wide in scope, serving the needs of both Congress and the executive branch, by ensuring that consistent data are available across agency and department lines. The reform should stress the following four key elements:

Strengthened Accounting, Auditing, and Reporting

Effective financial management must start with complete, reliable, consistent and timely information. Government financial systems must be designed to produce that information. Routine and special reports must be timely, useful and readily understandable, and the reliability of the information must be assured through effective auditing procedures.

Improved Planning and Programming

Many of the most pressing national issues cannot be adequately considered by using a narrow, short-term focus. A modern financial management system should include a structured process for considering those issues, one that focuses attention on major issues, identifies alternative courses of action, and analyzes their probable future consequences. The process must ensure that alternatives are accurately and completely costed on the basis of data from the integrated accounting systems.

Streamlined Budget Process

To be effective, the federal budget process must be made more manageable and integrated with the planning, programming and accounting phases of financial management. Reform is needed in both Congress and the executive branch. This effort should concentrate on eliminating unnecessary repetition, detail and obstacles to action. The system and its operatng procedures must be designed so that program managers, policy officials and members of Congress can focus on the difficult budget choices that must be made.

Systematic Measurement of Performance

Effective management of resources requires examining the results of government activities as well as their costs. An integrated and disciplined financial management system that provides consistent data on cost and performance is essential to help both Congress and the executive branch assess the efficiency and effectiveness of government operations. Top appointive federal executives have relatively short tenures and are therefore especially dependent on reliable cost and performance reports to ensure that resources are being used effectively.

REFORM WILL REQUIRE INVESTMENTS IN SYSTEMS, ORGANIZATIONS AND PEOPLE

Taken together, the above elements form the conceptual foundation of a new financial management structure. Putting the new structure in place and making it work, however, will require much more in the following areas.

Leadership
Establishing the framework for financial management improvements throughout the government will first require strong leadership to develop consensus that the time has come to modernize the government's financial structure. Implementing and operating the new structure will require strong and continuous leadership from skilled executives.

Investments in People
To operate effectively, even the best-designed financial management system requires able, dedicated, and well-trained people.

System Development Efforts
Over a period of years, new systems will have to be designed and installed that consistently implement the requirements and take full advantage of the latest technology. Much of this requirement can be accomplished with little additional cost by coordinating new and existing system development activities.
The potential benefits are substantial, but only if these efforts are part of a coordinated strategy of reform. This will require a sustained commitment over a number of years from both Congress and the executive branch. The basis for successful reform might best be established through a series of congressional hearings resulting in a bill or resolution setting forth the scope, objectives, leadership and timetable for the overall effort.

RELATIONSHIP TO THE GAO BUDGET REQUEST

The Accounting and Financial Management Division (AFMD) of GAO has the responsibility to lead GAO's work in this area. We expect this to be a growth area within AFMD over the next several years.

The twelve additional positions for the Accounting and Financial Management Division would be used to plan and perform audits of the financial statements of several federal government departments and agencies. Audits of this nature have not been performed in the past, and we expect they will result in improved financial management within the audited departments and agencies. These audits are necessary to enable us to achieve our long-range objective of expressing an opinion on the consolidated financial statements of the entire federal government.

SAVINGS COMPARED TO GAO APPROPRIATION

QUESTION. How much did GAO save the American taxpayers over each of the past few years, and how does that compare to GAO's budgets for those years?

ANSWER. Over the years, GAO has demonstrated that it saves the government many times the funds appropriated to it. As shown in the chart below, savings in the last 5 years attributable to GAO work totaled $27.8 billion or 23 times the appropriations for those years.

Comparison of Collections and Savings
to GAO Appropriations
Fiscal Years 1980 through 1984

Year	Collections and Savings	GAO Appropriation	Ratio of Savings Dollars to Appropriations Dollar
1980	$ 3,726,945,000	$ 204,300,000	18 to 1
1981	8,469,443,000	220,602,000	38 to 1
1982	5,936,384,000	236,000,000	25 to 1
1983	4,465,509,000	252,665,000	18 to 1
1984	5,249,170,000	271,710,000	19 to 1
TOTAL	$27,847,451,000	$1,185,277,000	23 to 1

OMB REDUCTION OF LEGISLATIVE BRANCH BUDGET REQUEST

QUESTION. The fiscal year 1986 President's budget included a recommendation of freezing fiscal year 1986 funding for the legislative branch at the fiscal year 1985 level, which, supposedly, equates to a 10 percent reduction. I believe that this is a highly unusual step for the Office of Management and Budget and the Executive Branch to take with regard to the legislative branch budget estimates. Usually, the legislative branch budget estimates are incorporated into the President's budget without change and then the Appropriations Committee examines the estimate and typically makes reductions through the Congressional Appropriations Process. For example, I am advised that in fiscal year 1985, the Congress reduced the legislative branch budget by some $46.4 million. Isn't altering these estimates a highly unusual step for OMB to take?

Some of my colleagues and I wonder if such an action doesn't do violence to the concept of separation of powers embodied in the Constitution? Please provide a comprehensive review and report for me for the record, Mr. Bowsher, and include any other instances where OMB may be overstepping its authority.

ANSWER. The matter of OMB's proposed 10% reduction in total budget authority for the legislative branch from the amounts originally submitted is fully explained in the attached letter from the Acting Comptroller General to the Chairman of the Senate Subcommittee on Legislative Branch Appropriations.

LETTER FROM MILTON J. SOCOLAR, ACTING COMPTROLLER GENERAL OF THE UNITED STATES

February 22, 1985

The Honorable Alfonse M. D'Amato
Chairman, Subcommittee on
Legislative Branch
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

In the course of our review of the President's budget submission for fiscal year 1986, we were struck by the fact that for the first time, as far as we are aware, the President has proposed a 10 percent reduction in total budget authority for the legislative branch from the amounts originally submitted to him. There is a similar proposal for a reduction in the total FY 1986 estimated outlays for the legislative branch. (See the Budget of the United States Government, Fiscal Year 1986, Part 8, page 14.) These proposed reductions are reflected as well in the Summary Tables (9-15) and in the adjusted bottom line amount proposed for the entire Federal Government.

As you know, 31 U.S.C.§ 1105(b) provides specifically:

> "Estimated expenditures and proposed appropriations for the legislative branch and judicial branch to be included in each budget under subsection (a)(5) of this section shall be submitted to the President before October 16 of each year and included in the Budget by the President without change." (Emphasis added.)

The President included the legislative branch budget estimates exactly as submitted to him in part 8, page 13, but on page 14, he subtracted an "allowance" of $192,661,000 from the 1986 legislative branch proposed budget authority, and $171,468,000 from the estimated outlays, as originally proposed. The resulting total figures--$1,736,945 and $1,757,497, respectively--are carried forward in all subsequent listings and summary tables, as mentioned above.

These "allowances" or "adjustments" are all identified in footnotes as "Executive recommendations" (see, e.g., footnote 1, part 9, pages 12 and 15), except for the Historical Tables, in which the reduced figures for FY86 are listed without explanation. (See, e.g., tables 4.1 and 5.2.)

The President's recommendation is explained in more detail in part 5, page 145. He states:

> "In this budget, an amount equivalent to a 10% reduction from 1986 levels for the legislative branch is shown as an executive branch recommendation. Executive branch agencies have made substantial reductions in their esti-

> mates; this allowance encourages the legislative branch to seek similar reductions."

There is a similar explanation in a 155-page document submitted by the OMB as part of the President's budget on January 26, 1985. It states:

> "In line with the President's call for a 10% reduction in Federal agency overhead, the budget reflects the assumption that the legislative branch will adopt a similar degree of restraint."

We are not taking a position on the wisdom or need to trim the legislative branch's proposed budget authority. We do think, however, that there is a serious question as to whether the President's way of presenting his recommendation comports with the requirements of the law. While it is true that the figures for the legislative branch were included in the President's budget as submitted, the fact is that incorporation of the legislative branch total reduced by the President's recommended 10 percent, albeit as footnoted, fails literally to comport with the specific requirement of section 1105(b). We are very concerned that the President's budget presentation may generate confusion and misunderstanding unless the Committees are particularly careful to start with the budget figures as originally proposed in framing appropriations for the legislative branch.

The President's budget presentation could have even more serious consequences if, instead of enacting separate appropriations for FY 1986, the Congress provides budget authority in the form of an omnibus reconciliation bill or continuing resolution, and further describes the amounts appropriated as the amounts provided for in the President's budget estimates.

This was the form of the fiscal year 1980 appropriation in the First Continuing Resolution, Pub. L. No. 96-86, October 12, 1979. Funds were provided "to the extent and in the manner which would be provided for in the budget estimates, as amended, for fiscal year 1980." For some reason, which we were unable to determine, specific requests for appropriations for the Office of the Senate Legal Counsel and additional amounts for the Office of the Sergeant-at-Arms and Doorkeeper were never transmitted to the Congress as part of the President's budget, although the requests were in the hands of OMB at least one month prior to the enactment of the Continuing Resolution. The Department of the Treasury refused, initially, to process a request by the Senate Financial Clerk for a warrant for the funds, on the ground that these amounts could not be considered appropriated since they were not in the President's budget request.

This Office disagreed. We pointed out that inclusion of legislative branch budget requests in the President's annual budget is "merely a ministerial act." Neither the OMB nor the President has the authority to alter the amounts of the legislative branch request. Therefore, we said, since "inclusion of legislative branch appropriation requests and amendments in the President's budget is automatic, these requests and amendments can be considered as included in the budget estimate when received by OMB." B-198507, May 12, 1980.

We wanted to bring this opinion to your attention because if the same questions arise with respect to the fiscal year 1986 budget request amount for the legislative branch, we would be inclined to rule that the proper referenced amount in the President's budget request for the legislative branch is the amount originally submitted to the OMB and listed by the President in part 8, page 13, and not the lower amount resulting from the President's proposed adjustment. We are sending a similar letter to the Chairmen of the House and Senate full Committees on Appropriations, and to the Chairman of the House Subcommittee on Legislative.

Sincerely yours,

Milton J. Socolar

Acting Comptroller General
of the United States

CONTRACTS FOR PLANT CARE

QUESTION. Several years ago, at the request of this Subcommittee, the GAO instituted a fraud hotline. In addition, the GAO revealed how federal agencies, especially the IRS, were using taxpayer funds to contract to have someone come around to the agency and water the flowers. Would you please provide for the record a review of those matters and update on these activities. Supposedly, this practice came to a halt.

ANSWER. On April 24, 1980, the Acting Comptroller General issued a decision regarding the use of appropriated funds for plant care and watering contract with private firms. It was our opinion that, in the absence of further clarification by the Congress, appropriated funds could not be used for plant care in interior offices which could be construed as federal employee work spaces. The text of this decision and correspondence with affected agencies are attached for your review. We are unaware of any continuing abuse of federal funds in connection with plant care.

LETTER FROM MILTON J. SOCOLAR, ACTING COMPTROLLER GENERAL OF THE UNITED STATES

FILE: B-198242 **DATE:** April 24, 1980

MATTER OF: Contracts for maintenance of office plants

DIGEST: Extent of prohibition against using appropriated funds for plant care and watering contracts with private firms, contained in fiscal year 1980 HUD Appropriation Act, is uncertain. However, violation of provision clearly occurs when appropriated funds are used for private maintenance contracts for office plants located in areas which are assigned work spaces of particular Federal employee or employees.

This decision interprets section 409 of the Department of Housing and Urban Development--Independent Agencies Appropriation Act, 1980, Pub. L. No. 96-103, 93 Stat. 771, 788 (HUD Appropriation Act). This provision prohibits the use of appropriated funds for plant maintenance contracts. For the reasons indicated below, we conclude that this section is violated when appropriated funds are used for contracts to maintain plants located in offices to which particular Federal employees are assigned. On the other hand, without further clarification from the Congress, we are unable to conclude that the section is violated if the plants are located in publicly or commonly used areas which are not the work spaces of any particular employees.

Section 409 of the HUD Appropriation Act provides:

> "No part of any appropriation for the fiscal year ending September 30, 1980, contained in this or any other Act shall be used to contract with private firms to provide plant care or watering services."

If read literally, this section would prohibit the use of any appropriated money for any contract for maintenance of plants, wherever located. For example, it would prohibit contracting for landscaping services outside of Federal office buildings, contracting for tree and shrubbery care in national cemeteries, and contracting by municipalities for maintenance of their parks if Federal revenue sharing funds were used, as well as contracting for watering office plants within Federal buildings.

However, after examining the legislative history of this provision, we believe that the Congress did not intend such a broad application of the prohibition. The provision was introduced as a floor amendment to the HUD Appropriation Act by Senator Sasser. In explaining the need for this provision, Senator Sasser stated his belief that the Government should not be spending its money to care for "office" plants for Federal employees. For example, he stated:

> "Mr. PRESIDENT, in the final analysis, the question comes down to 'Should the taxpayers pay for office plants for Federal employees.'
>
> "Consequently, Mr. PRESIDENT, I am offering an amendment that would prohibit Federal agencies from using appropriated funds to contract with private firms to provide plant care and watering services." (125 Cong. Rec. S10725 (daily ed. July 27, 1979).)

Senator Sasser was then asked by Senator Proxmire whether the proposed amendment would apply to activities in city parks and similar activities. Senator Sasser replied:

> "No; this would be activities which are conducted in the offices of various agencies wherein they contract with a private plant service to come by and water their plants. (Id. at S10726)

Although the Senate adopted this amendment, while the bill was in conference, Senator Proxmire again expressed concern about the coverage of the amendment. The staff of the Senate Appropriations Committee informally asked this Office for its interpretation of the amendment. In a letter to the committee staff dated August 10, 1979, Richard Brown, GAO's Director, General Services and Controller, stated:

> "* * * Based upon the legislative history involved, we have concluded that it is the clear intent of the sponsor that no part of any appropriation for fiscal year 1980 should be used to contract with private firms to provide plant care or watering services in interior offices housing federal employees."

At the request of Senator Proxmire, this letter was printed in the Congressional Record to aid the Senate in its consideration of the conference report on the HUD Appropriation Act. In explaining the amendment at that time, Senator Proxmire stated that the prohibition was "clearly meant to apply to plants in interior offices * * *."

Based on this history, we believe that the Congress intended that the prohibition only apply to plant maintenance contracts inside Federal offices. In our opinion, maintenance contracts for outdoor plants were not intended to be covered.

Moreover, we are not certain that the Congress intended the prohibition to apply to all plants located inside Federal buildings or in rented space controlled and occupied by the Federal Government.

For example, in introducing the amendment, Senator Sasser stated that he didn't think Tennessee taxpayers would want to pay for indoor office plants "for Federal employees." Further, the GAO letter printed in the Congressional Record interpreted the prohibition as extending to plants in interior offices "housing Federal employees." Finally, Senator Proxmire explained that the prohibition applied to plants in interior offices "which I think we can agree should be cared for by the occupants of those offices rather than a private contractor." From these statements, it would appear that the Congress intended that the prohibition only apply to office space to which particular Federal employees are actually assigned. In such space, it appears that the Congress intends that the occupant should care for the plants.

Therefore, we conclude that the prohibition is violated when fiscal year 1980 appropriated funds are used for private contracts to care for or water plants located in areas where an individual or group of Federal employees are assigned to work. We would be forced to take exception to any expenditures for these contracts. On the other hand, it is not clear that the Congress intended the prohibition to apply where the plants maintained are in publicly or commonly used areas which are not the assigned work space of any particular employee or employees. In the absence of further clarification by the Congress, we cannot conclude that these contracts violate the act. Therefore, we will not object to expenditures for plant maintenance in such public or common areas.

Milton J. Socolar
Acting Comptroller General
of the United States

B-198242 APR 24 1980

The Honorable Robert O. Tiernan
Chairman
Federal Election Commission

Dear Mr. Tiernan:

Enclosed for your consideration is our decision of this date Contracts for maintenance of office plants, B-198242. This decision concludes that section 409 of the Department of Housing and Urban Development--Independent Agencies Appropriation Act, 1980, Pub. L. No. 96-103, 93 Stat. 771, 778 (HUD Appropriation Act) prohibits the use of fiscal year 1980 appropriated funds for contracts to maintain office plants located in areas which are the assigned work spaces of particular Federal employees.

Recent inquiries made by this Office revealed that your agency was using fiscal year 1980 appropriated funds for indoor plant maintenance contracts. However, we did not determine whether these contracts were in violation of section 409 of the HUD Appropriation Act as we have interpreted it.

We recommend that you promptly review all of your agency's current indoor plant maintenance contracts to determine whether they violate the HUD Appropriation Act. To the extent that you discover such violations, these contracts should be cancelled immediately. We shall be forced to take exception to any illegal payments made for plant maintenance services rendered after April 30, 1980.

As this letter contains a recommendation for corrective action to be taken, we are forwarding a copy, along with a copy of our decision, to the congressional committees named in section 236 of the Legislative Reorganization Act of 1970, 31 U.S.C. § 1176 (1976). That section requires your agency to submit to the named committees, within prescribed times, written statements of the action taken on our recommendation.

We would appreciate advice of whatever action you take on our recommendation.

Sincerely yours,

MILTON SOCCLAR

Acting Comptroller General
of the United States

ASBESTOS REMOVAL SCHEDULE

QUESTION. Does GSA have a schedule for removing asbestos from the GAO building? If so, please explain it in general terms.

ANSWER. GSA is following a schedule to remove asbestos from the GAO building. This schedule calls for total removal of asbestos and completion of the HVAC renovation in 1993. The current schedule does not indicate a hiatus between the completion of the first contract and the award of the second contract. However, the current schedule does reflect an improvement in terms of the amount of time set aside for moves, changes, and extraction of previously unidentified asbestos. We feel this is a positive step in recognizing the shortcomings of the original schedule.

QUESTION. Have other agencies contacted you to learn from your experience in asbestos removal? If so, please explain the nature of those contacts.

ANSWER. Due to the limited availability of good reference data and the lack of applicable OSHA standards, Library of Congress and Pentagon safety and space management representatives met with GAO security and safety staff to develop management policies and standards for asbestos removal activities. GAO provided a copy of its Asbestos Management Plan, developed by John Hopkins University. GAO also discussed recommendations made by the National Institute for Occupational Safety and Health, the Environmental Protection Agency and the Occupational Safety and Health Administration.

COMPETITION IN CONTRACTING ACT CASELOAD

QUESTION. What do you estimate GAO's caseload will be under the Competition in Contracting Act of 1984? How does this caseload compare with the GAO's workload before passage of the Act?

ANSWER. Our caseload has clearly increased. In fiscal year 1984 we received and decided approximately 2,100 cases. Since the Competition in Contracting Act (CICA) became effective, we have been receiving an average of more than 50 cases per week. As indicated, we expect a disproportionate number of protests to be filed this fall in response to increased contracting activity at the end of the fiscal year. Our best current estimate is that we may be looking at an annual filing rate under CICA of 2,800 or more cases.

MANAGEMENT TRAINING

QUESTION. Please explain how your training programs have changed in the past year and what your plans are for the future.

ANSWER. In the past, GAO's training programs have emphasized technical training for GS 7-12 and managerial training for GS 13-15 and the Senior Executive Service. This year, emphasis has been shifted to providing technical training for GS 13-15 and the Senior Executive Service as well as to providing extensive residential managerial training to GS-15s. (See the attachment for details concerning the Executive Education Program.) This emphasis on technical training will continue and expand to include GS 7-12s.

The focus of our technical curricula has become one of effectively planning and implementing an assignment through clear articulation of the audit/evaluation question selection and use of the most appropriate methodologies.

The establishment of a core curriculum required of all SES candidates, has been a major change in the Executive Candidate Development Program. This curriculum includes technical as well as managerial seminars, workshops and briefings. Content of these activities includes design and methodology, data reliability, economics, organizational change, project management, microcomputers, and human resource management.

In the past year, GAO has revamped its secretarial curriculum. New support staff are now enrolled in an intensive two-week program immediately upon reporting for duty. More advanced follow-up modules are currently under development.

With the arrival of microcomputers at GAO, a training program for "focal points" in each organizational unit was developed and delivered. The focal points are responsible for additional training in their own units. This initial training will be followed by hands-on training in three specific software packages sanctioned for GAO use. This training is expected to begin in late summer. Microcomputer training for managers is currently available at the GS-15 level.

The GAO has in place a systematic process to identify training needs develop programs to meet these needs, and evaluate the effectiveness of these programs. New programs will be developed using this process to ensure the continuing high quality of GAO training.

Attachment:

Technical Training Programs

GAO has established multiple initiatives to identify needed technical skills for all GAO staff and to implement programs for meeting these skill requirements.

STRATEGY

Our general strategy includes identifying the actual needs of the individual executive/manager for development and introducing the Executive Education Program to meet these needs. One step in this strategy has been to offer the seminar, "Understanding and Coping with Organizational Change," which provides tools for executives to examine the impact of technological change on their organization and themselves.

The seminar was presented in two 4-hour sessions for the assistant comptrollers general and all SESers; and in one 2-day workshop for executive candidates and GS-15s. These presentations began in March, 1985. This seminar was presented first to set the stage for the significant changes in how GAO does its work that are expected to follow the delivery of the technical seminars in the

Executive Education Program.

MAJOR STEPS IN IMPROVING GAO TECHNICAL EDUCATION.

I. In December 1983 GAO established a Human Resources Planning Project to identify future skills needs of the GAO workforce through 1990. Nine panels have identified and studied GAO's future staff needs in the following skill areas:

1. design and methodology
2. quantitative and qualitative analysis
3. agency management reviews
4. legislative process and congressional functions
5. writing
6. project planning, execution, management, and reporting
7. information technology
8. economics
9. financial management and budget concepts

The result of that analysis is being integrated into the education and recruiting systems at all personnel levels.

II. A strategic plan was developed to extend the scope and depth of technical training at the senior executive level. This program (Executive Education Program) focuses on continued technical training at all executive and senior management levels and gives priority to those topics bearing on the methodological and analytical dimensions of GAO's work.

The plan for the Executive Education Program is based on information from the following resources: (1) external consultant panels which provide a perspective on new technologies and managerial knowledge; (2) the core skill panels that are updating information on the nine technical areas; (3) GAO's technical divisions that are in charge of monitoring new technical skills for staff; (4) feedback from individual assessments executives make of their specific technical training needs; (5) representatives from major universities with regard to seminars and courses that have potential application to GAO's technical training needs; and (6) congressional members and key staffers.

This information is being used to design components of the Executive Education Program for specific learning areas that are described in the previous attachment. The components of the program include internal workshops, seminars, briefings, and speakers' programs. These activities will be supplemented by external training chosen by the individual manager based on specific needs.

Technical Seminars Planned for Executives:

1. The Approach and Methodology Selection seminar will address the major types of study design which are used in GAO assignments, refining project questions, identifying approaches, and matching approaches to appropriate qualitative and quantitative techniques. The seminar will be presented to executives in two 4-hour briefings and to executive candidates in a 3-day program.

2. The Economic seminar for SESers will highlight models for forecasting economic performance, information concerning fiscal policy, international trade, and finance. This 4-hour seminar is scheduled for early September 1985.

3. Microcomputer Application for Managers will provide relevant information on the uses of personal computers, various software packages and the impact of microcomputer technology on GAO's work from a management perspective. It will be given in 4-hour seminars for SESers and in 3-day workshops for SES candidates and GS-15s. This series of programs will be offered to all executives beginning in July 1985.

III. External training for executives at universities, colleges, and other courses have also been identified to provide development in the areas of research design, data collection, econometrics, and public policy formulation and analysis. These courses will be used for individual needs due to their high cost and limited availability.

IV. A GAO Executive Speakers' Program was implemented over two years ago to supply executives with current management information relevant to their responsibilities.

V. Our technical and methodological courses for executive candidates and SESers build on the curriculum already in place for entry level (GS-7) through project manager (GS-13/14) staff. The program includes topics such as designing evaluations, statistical sampling, instrument design, and structured interviewing.

VI. After analyzing the core skill areas, through interviews with the heads of the panels, GAO has designed a technical curriculum for participants in the Executive Candidate Development Program. This program will prepare high potential GS-15s for senior executive positions. Courses include but are not limited to:

1. Approach and methodology selection,
2. Quantitative and qualitative methods,
3. Data reliability assessment,
4. Micros for managers, and
5. Managing multiple projects

In addition to the courses, briefings are also scheduled on topics dealing with significant national issues.

BENCHMARKS FOR IMPLEMENTATION

Benchmarks for implementation of the Executive Education Program have been established and are outlined as follows:

--January 29, 1985 - Target populations were identified by level and name. This population numbers approximately 142 and includes assistant comptrollers general; division, region and office heads; associate directors and other SESers; and SES candidates.

--March - May, 1985 - Plans for the Executive Education Program were presented to ACGs, Division Directors, Regional Managers, and other SESers to inform and build support.

--May - June, 1985 - SESers, subject matter experts, and university course designers were interviewed to collect relevant data for specific briefing/seminars.

--June - August, 1985 - Approach and Methodology Selection I (overview) and II (specific methodologies) will be presented.

--July, 1985 - Microcomputer Application for Managers briefing will be presented.

--July - August, 1985 - Individual SES needs to be assessed for external technical/managerial training.

--July - August, 1985 - Data from core skills panel to be integrated with other information for design of future seminars and briefings.

--September, 1985 - Economics briefing to be presented.

--November 1, 1985 - Results to be evaluated and next year's Executive Education Program Plan established.

--Annual Managers Meeting - 1986 Executive Education Program Plan to be introduced.

Although some training (core courses that are listed above) will be completed by the end of the fiscal year 1985, the Executive Education Program will be continuous, and will address current needs each fiscal year.

TRAINING PROGRAMS

QUESTION. What emphasis is being placed on executive and managerial training?

ANSWER. The current thrust in executive and managerial training is to provide GS-15s, Senior Executive Service candidates and Senior Executive Service incumbents with technical training. (See attachment 1 for details concerning the Executive Education Program.) The technical areas identified for delivery in fiscal year 1985 include Approach and Methodology Selection, Economics and Microcomputers. The courses are tailored to the specific needs of the managerial levels identified above. Continual emphasis is being placed on skill building and development in managerial competencies for GS-13s through GS-15s in GAO's Management Development Program.

Concurrently, additional training needs assessments are underway to identify technical training to be delivered in fiscal year 1986. Local university officials are being interviewed as potential sources to deliver such training. Another area of emphasis has been on the assessment of managerial competencies. This has been targeted for both the GS-13/14 level through workshops and the GS-15s through a residential program.

Attachment 1

Executive Education Program Learning Area Descriptions

The following briefly describes the areas of technology that have been identified for the Executive Education Program. The specific training activities/courses that will be delivered will vary in intensity, concentration and amount of detail according to the level of the target population.

Approach and Methodology Selection addresses the major types of study designs which are used in GAO assignments. It will include refining the project questions, identifying approaches, and matching approaches to appropriate qualitative and quantitative techniques.

Qualitative and Quantitative Methods addresses collecting and analyzing data. Specific evaluation tools and analytic techniques suitable to GAO assignments will be presented. Examples are sampling theory, questionnaire design, time series analysis, multivariate analysis, and cost benefit analysis.

Economics addresses managers' need to understand models for forecasting economic performance. It will include knowledge of fiscal/monetary policy tools and international trade and finance.

Data Reliability Assessment addresses knowledge and skills relating to assessing input from various software packages to determine the reliability of data based on program design and methodology.

Public Policy Analysis addresses current and future issues in public policy that are expected to have an impact on GAO's work.

Organizational Change addresses the needs senior managers have to understand and manage organizational change. A basic model and specific techniques are applied to GAO-related issues in a changing environment.

Microcomputer Technology addresses necessary skills in using the IBM-PC and several software packages which includes Lotus 1-2-3, Peachtext, and Crosstalk. These skills in computer technology will be applied to GAO audit and administrative functions.

Human Resource Management addresses the "Integrated Human Resource Model" which serves as GAO's system for managing human resources in the performance of GAO's mission. This course will include an understanding of roles and responsibilities in program planning and the efficient and economical management of staff/agency resources.

Congressional Relations and the Environment addresses issues in relation to the perceptions Congress and other key groups have of GAO's work. It includes discussions that will lead to the senior manager's better understanding of the demands and impact the audience has on GAO's work.

REQUESTS FOR NEW POSITIONS

QUESTION. You are asking for twelve additional positions for your Office of Information Resources Management. This is a 27% increase in staffing. Why is such a large increase warranted?

ANSWER. The request for an additional 12 positions reflects the minimum level of additional support needed for the enhanced mission of OIRM and the nature of the information processing field.

In our answer to previous questions three of the areas identified as OIRM responsibilities were completely new to GAO: assisting users with new technologies, the management and development of telecommunications within GAO, and the systematic development of ADP planning and policy. OIRM has too few staff for it to perform adequately in these areas. Also, additional technical staff are needed to support the development and control of internal systems. As the new director of OIRM scopes out initiatives, additional staffing requirements may be identified in the future.

QUESTION. You are asking for a fourteen position increase in the National Security and International Affairs Division. What types of work would these positions be used on?

ANSWER. Over the past year, the National Security and International Affairs Division has been increasing its focus on the continually growing defense establishment. We have made some positive progress in our defense work, but as more and more resources are put into defense programs, our work in reviewing, evaluating and auditing their results increases.

We think it will continue to be important, through the next four years at least, to ensure a strong audit and evaluation capability of defense programs. The committee recognized the importance of our need in the defense area last year, and we have proceeded to use the resources allocated by the committee for defense work to strengthen our audit program. However, there is still much more that needs to be done, and we are proposing that our defense work be further augmented to cover essential work in a rapidly growing area. The specific types of work that these positions would augment include

--congressionally mandated work to perform analyses of specific defense budget line items,
--the demands imposed by the Federal Managers' Financial Integrity Act of 1982, and
--the increased congressional demands for more defense contract audit work particularly in the areas of defective pricing and overpricing.

FINANCIAL MANAGEMENT IMPROVEMENT

QUESTION. You are asking for twelve additional positions for the Accounting and Financial Management Division. How would this staffing increase be utilized?

ANSWER. The 12 additional positions for the Accounting and Financial Management Division would be used to plan and perform audits of financial statements of several federal government department and agencies. Audits of this nature have not been performed in the past, and we expect they will result in improved financial management within the audited departments and agencies. These audits are necessary to enable us to achieve our long-range objective of improving the consolidated financial statement of the federal government.

QUESTION. I notice that your report on "Managing the Cost of Government" proposes using consolidated financial statements in the government. Can you explain how these would help us?

ANSWER. The practice of preparing and auditing consolidated financial statements has been widespread in the private sector for years and is increasing at the state and local levels of government. For example, in the aftermath of its 1975 financial crises, New York City started producing audited financial statements prepared according to generally accepted accounting principles.

The development of similar practices at the federal level has resulted in audited agency and government-wide statements on assets, liabilities, and other key financial measures. This information complements the information now reported in the budget and other documents and adds a needed dimension to the financial profile of the government.

Also, by requiring that such statements be prepared and audited in accordance with certain accounting standards, we would improve the discipline of agencies' financial systems. We should not overlook this beneficial effect upon the integrity of agencies' systems when considering the need for consolidated statements.

QUESTION. Another area of interest concerns "costs." You say in the report that there should be more use of cost figures by federal officials. Can you explain what you mean by that? Also, what about the "obligations" and "outlays" now reported in the budget, would they continue to be important?

ANSWER. There are a couple of ways to look at the financial resources needed for, or applied to, federal programs--in terms of the cash flow or the costs. The two can be quite different in a given year. For example, managers may obligate and then outlay $10 million to acquire items that are placed in inventory, but they may only use $8 million from inventory to conduct the program. In this case the cash flow in the outlay level is $10 million, but the cost of conducting the program that year was $8 million. It is the latter, cost figure that is needed for making cost-benefit calculations.

We feel that federal officials need to make more use of cost figures in financial reports to make meaningful analyses and control available resources in the most efficient and effective manner. At the same time, though, we definitely see a continuing need for reporting any action on obligations and outlays. The Congress will continue to control new starts and orders by providing budget authority for entering obligations, and continuing congressional action on outlay levels is needed to control the fiscal and deficit effects of federal activities.

QUESTION. The report also stresses the need for integrated budgeting and accounting systems. My questions are, why aren't they integrated, and what kind of problem does this produce?

ANSWER. Let me answer that by first addressing the problem created by a lack of integration. We find that accounting systems routinely capture and report financial data on the "objects" of agencies' expenditures, such as travel, salaries, supplies, etc., but often do not adequately collect and report data on the programmatic uses of those expenditures. Consequently, budget and other reported financial data on agencies' programs are not always tied directly to accounting systems. This lessens the reliability of the data and causes uncertainty about the actual amounts spent for programs.

The reason for this incomplete coverage of accounting data largely relates to the slew of systems whose designs are outdated and do not take advantage of modern data processing capabilities. However, with current and emerging computer technology, there is no significant reason why this problem cannot be overcome. Agencies can now develop accounting systems with the multiplicity of codings and applications needed to capture and report financial data on programmatic uses as well as the objects of expenditure.

IMTEC DIVISION

QUESTION. What specific achievements have resulted from IMTEC's work this past year?

ANSWER. As of March 1985, IMTEC work for fiscal year 1985 has resulted in $21 million in budgetary savings and $31 million in cost reductions through increased efficiencies in system operations. In fiscal year 1984, our work resulted in $502 million of savings ($3 million in budget reductions), largely from Department of Defense action to more economically manage their leasing of computer equipment. Other 1984 savings involved convincing agencies to modify specific acquisitions to increase competition or eliminate unnecessary requirements.

IMTEC work has also resulted in numerous accomplishments that cannot be quantified but greatly increase the effectiveness and efficiency of the government's use of information technology. For example, Interior's Bureau of Indian Affairs is implementing our suggestion to automate its process for paying oil and gas royalties to Indians. When operational, this system should substantially improve the Bureau's service. Our government-wide evaluation of software testing has resulted in GSA publishing guidance on testing criteria and software quality assurance. This guidance should help agencies ensure that systems perform their intended functions accurately and reliably. Finally, when helping the Senate Armed

Services Committee review Defense procurement practices for spare parts, we made several proposals for using computers to prevent unwarranted price increases. Our proposals have sparked DOD's own reevaluation of how automation can prevent future spare parts horror stories.

QUESTION. GAO established the IMTEC division to create a focal point for conducting ADP reviews. You now have about two years experience with IMTEC; have your original expectations been met?

ANSWER. Partially. We've achieved much these past two years but still have a long way to go. Before IMTEC's establishment I had concerns that GAO's approach to ADP issues--having responsibility divided among each division--was not giving us the proper perspective on what was really important. Too often ADP issues were considered of secondary importance and not enough attention was given to developing the expertise and resources to keep up with the subject. By creating IMTEC, GAO has been able to develop a more cohesive, consistent approach to dealing with ADP issues. IMTEC has identified major, crosscutting ADP issues which affect Government operations as well as agency specific issues dealing with ADP acquisitions and systems integral to program operations. IMTEC staff have been working on these issues for the past two years and have made significant contributions to improving government's management and use of ADP resources. Additionally, IMTEC has undertaken a rigorous training and recruiting program which has significantly improved GAO's technical ability to deal with sophisticated ADP issues.

While I am satisfied with IMTEC's progress to date, we need to do more. For fiscal year 1986 we are requesting an additional 27 positions. This requested increase would enable GAO to meet our responsibilities for evaluating federal ADP, communications, and information management activities.

OMB CIRCULAR A-127

QUESTION. Please give us your observations on OMB's Circular A-127 dated December 1984 and OMB's follow-up document issued in March 1985 entitled, "Financial Management and Accounting Objectives."

ANSWER. Many of the objectives set forth in the OMB circular and follow-up document are consistent with the aims and activities of the Comptroller General. Implementation of these objectives would help improve financial management in the federal government. However, as discussed in greater detail below, some of the stated objectives, if implemented, would establish OMB controls over federal government financial reporting that would conflict with GAO's legal role in this area. They also would establish certain financial reporting practices at variance with those prescribed under law by GAO in its revised title 2, Policy and Procedures Manual for Guidance of Federal Agencies (November 1984). Certain of the OMB objectives also do not adequately address some of the financial management issues raised in GAO's "Managing the Cost of Government" report (February 1985). Our more detailed comments follow.

OMB WOULD ASSUME A LARGER ROLE THAN IS LEGALLY AUTHORIZED

The OMB materials impute to OMB a larger role in approving or disapproving agency financial reporting than is legally authorized. Many of the OMB-outlined procedures, if carried out, would conflict with GAO's legal authority to prescribe accounting principles, standards, and related reporting. There are several examples of this OMB approach.

OMB would consider costs, benefits, and other matters in reviewing and approving financial reporting

The OMB states the following:

> "Government-wide financial disclosure to the public is met through the budget, as formulated and enacted, which presents the programmatic policies and financial operating plan; the monthly and annual Treasury reports which show the total receipts and outlays; and related documents prepared primarily by the Treasury Department. Any other recurring financial reports intended for use by the public which are not prescribed by law shall be submitted to OMB for review and approval. The OMB evaluation will consider costs and benefits, need, and consistency with the budget." (March 1985 doc., page VI-2.)

We note that GAO is provided legal authority for prescribing certain financial reporting requirements, and that these requirements are incorporated into title 2 of GAO's Policy and Procedures Manual for Guidance of Federal Agencies. There is no statutory or other basis for OMB to disapprove financial statements prepared in accordance with the requirements of title 2.

OMB suggests that GAO principles and standards are non-binding guidance

Circular A-127 sets forth several financial management system objectives to be met by agencies in complying with applicable law and "appropriate guidance of GAO, Treasury, and OMB." The objectives include usefulness, timeliness, efficiency and economy. The circular also provides that where the objectives "appear to conflict with other guidance, agencies shall communicate the particulars of the issue to OMB for resolution." (A-127, page 4.)

If, as seems likely, agencies read "appropriate guidance of GAO" as including title 2, then under Circular A-127 an agency could raise with OMB the question of whether it should comply with title 2 reporting requirements which it believes are not useful, efficient, or economical. We find no basis for concluding, as OMB seems to do, that the title 2 requirements are non-binding guidance whose appropriateness may be determined by OMB. The OMB may not arrogate to itself the authority to disapprove title 2 requirements.

OMB makes misleading reference to the Federal Managers Financial Integrity Act

Wording in the two OMB documents leaves the incorrect impression that agencies may comply with the accounting systems requirements of the Federal Managers Financial Integrity Act by reporting that they are in compliance with the OMB documents rather than, as the act requires, with the Comptroller General's accounting principles as set forth in title 2 and other titles. In this regard, the OMB's Circular A-127 states the following:

> "As required by section 4 of the Federal Managers Financial Integrity Act, the head of each executive agency subject to the act shall report to the President and the Congress on whether the agency's accounting system conforms to appropriate accounting principles and standards. Systems that conform to the provisions of the circular shall be considered as meeting the requirements of the Act. This report shall be made by December 31 of each year for the year ending September 30." (A-127, page 7.)

If the circular reaffirmed or incorporated by reference the requirements of title 2, the above language alone would not be objectionable. However, as we have already discussed, the OMB documents instead suggest elsewhere that the requirements of title 2 could be disapproved by OMB.

OMB DOES NOT RECOGNIZE THE LEGAL REQUIREMENT FOR ACCRUAL ACCOUNTING

The OMB's key statement on accrual accounting follows:

> "Accrual accounting information shall be developed only as needed for pricing purposes, comparative cost analyses, and to meet the needs of management or the Congress." (A-127, page 5.)

This statement suggests, incorrectly, that accrual accounting is not a general legal requirement. The requirement for the accrual basis of accounting in 31 U.S.C. 3512(d) has been fundamental to the accounting principles and standards that the Comptroller General has promulgated since enactment of the 1956 amendment to the Budget and Accounting Act of 1950. The recently issued revision of title 2 reiterates this long-standing statutory requirement.

Omission of this requirement from the "selected" legal requirements attached to OMB Circular A-127 is causing costly confusion in current executive agency efforts to revise and modernize their accounting systems. Prompt remedial action to include the statutory requirement in the attachment to the circular would make it clear that the accrual basis of accounting is required in current and future efforts to design systems. Significant redesign costs can be avoided if the new systems initially meet the accrual requirements of the law.

OMB DOES NOT CLEARLY PROVIDE FOR CONSOLIDATED FINANCIAL STATEMENTS

The OMB documents do not explicity recognize the requirement, set forth in GAO's title 2, for accrual-based consolidated financial statements at the agency and government-wide levels. Such statements are to reflect the totality of operations and financial position, and they are to be prepared from disciplined financial management systems that have effective internal controls and reliable financial data. For years private enterprise has recognized the need for such statements, and their use continues to grow in many state and local governments.

Consolidated statements also can greatly help the federal government. At the agency level, summary statements provide the following benefits:

--A complete view of the entire entity and the relative significance of major fund types and programs will assist management and policymakers in focusing their attention.

--The process of compiling statements (the systems' end-product) through consistent application and enforcement of specifically defined standards and the inherent rigor of applying these standards provides a discipline that is reinforced when the process is repeated annually.

--The statements facilitate an independent audit not only to verify the fairness of the information they contain but also to verify an audit of the financial transactions reflected in the statements, and the financial management system supporting them.

The OMB documents only obliquely address this title 2 requirement by stating that, "financial disclosure requirements are met through the Budget, the Treasury Combined Statement, and related documents." (A-127, page 6; and March document, page VI-1.) We fully recognize the continuing importance of the Budget and the Treasury Combined Statement, but also believe that OMB should act promptly and fully to carry out title 2's requirement for accrual-based consolidated statements. It would be most unfortunate if the federal government did not adopt such statements, which have withstood the test of time and have been widely accepted by other institutions.

OMB GUIDANCE ON CERTAIN TECHNICAL MATTERS IS IN CONFLICT WITH GAO'S TITLE 2

The OMB document also prescribes certain technical requirements that are in conflict with GAO title 2 requirements. According to the OMB document, assets are to be recorded under lease purchase agreements when the option to purchase is exercised (rather than before under certain circumstances); liabilities for accounts payable are to be recorded when invoices are verified (rather than before, when the liability is incurred); and leave accruals are to be recorded for pricing purposes only (rather than when earned by employees).

OMB LACKS A BROAD CONCEPTION OF FINANCIAL MANAGEMENT

The OMB documents' conception of "financial management" is not as broad as that underlying GAO's "Managing the Cost of Government" report. By excluding or only indirectly addressing the functions of planning, programming, and audit-evaluation, the OMB document does not directly address the need for financial management systems that adequately support those functions as well as the traditional functions of budgeting, budget execution, and accounting. Our view is that a broad and integrated approach to financial management is needed to ensure data comparability and consistency across key functions.

OMB DOES NOT EMPHASIZE THE NEED FOR STRUCTURED CAPITAL BUDGETING

While the OMB document notes the need to account for capital spending within each appropriation account ("if material in amount"), it does not stress the need for structured budget reporting on capital amounts. GAO's "Managing the Cost of Government" report stresses the importance of improved budget reporting on capital amounts as an aid to assessing needs and setting spending priorities.

OMB DOES NOT SUFFICIENTLY RECOGNIZE IMPORTANCE OF COST-BASED MANAGEMENT INFORMATION

The OMB documents do not adequately recognize the need for cost information to aid managers in planning, resource allocation and control, and evaluation decisions. For example, instead of providing guidance supporting the development of better cost systems, the March 1985 document states

> "Cost shall be recognized in the accounts when required by OMB or agency management" (page IV-6).

Our view, set forth in "Managing the Cost of Government," is that federal management practices would be improved if there were more reporting and consideration of costs. Costs, representing the level of goods or services used in a fiscal period, provide a financial measure that is very useful to managers for controlling stocks and inventories, and accurately determining the resources actually used to accomplish given levels of output.

FISCAL YEAR 1985 SUPPLEMENTAL
STATEMENT OF CHARLES A. BOWSHER
COMPTROLLER GENERAL OF THE UNITED STATES

Mr. Chairman. We are requesting $5,674,000 in supplemental funds for fiscal year 1985. This request is based on the cost to GAO of paying for the 3.5 percent civilian cost-of-living adjustment that became effective on January 6, 1985.

Personnel costs in FY 1985 account for 74 percent of our budget. Normally, at this time in the fiscal year, GAO is unable to absorb any part of this request without causing serious disruption to its operations.

However, at the beginning of FY 1985, GAO decided not to renew its contract with Boeing Computer Services for the further development and installation of the consolidated administrative management information system (CAMIS).

Thus, we are able to use these funds to absorb all of the funds required to meet the supplemental request for title II civilian pay costs.

GAO is also requesting $1,121,000 as a program supplemental for fiscal year 1985. Legislation introduced in April 1984 and enacted in July 1984 requires the focus of a significant body of GAO resources on implementation of the Competition in Contracting Act of 1984 (title VII of P.L. 98-369). This act sets forth strict time frames for issuance of regulations to modernize the federal government's procurement appeals process by the inclusion of a bid protest system designating GAO as the primary arbiter of such protests. By law, GAO must decide such protests within 4 months (90 working days from date of filing in GAO or 45 calendar days under expedited protests) or explain to the Government Operations and Governmental

Affairs Committees of the Congress why each decision could not be reached within the specified timeframe.

Since GAO had been performing this function for many years, it was understandable that GAO was selected to administer this new statute. However, the timeframes built into the statute and the explanation requirements to congressional committees are necessitating that additional personnel resources be recruited.

To fund these personnel, GAO is requesting $1,121,000 and 24 average positions in our program supplemental for FY 1985. Because of the cancelation of the Boeing Computer Services Contract, some of those funds are also available to absorb $126,000 of the program supplemental request. This means that GAO's request is revised to $995,000.

As you are aware, we have been involved in negotiations on the financial settlement for the Fogel case. Since mid-October we have been negotiating the final details of the monetary settlement of this case as well as another class action case which challenges our current promotion system. We now know that the settlement of the two cases will cost GAO $5.0 million dollars and that we will have to pay this amount sometime this summer.

We do not have $5.0 million in fiscal year 1985 funding available to pay this settlement. Since this decision results neither from a Federal District Court appeal nor from Supreme Court action, by statute funds are not available from the Claims and Judgments Fund. Thus, we need to request your favorable consideration of a fiscal year 1985 Program Supplemental in the amount of $5.0 million to settle these claims against GAO.

COMMITTEE QUESTIONS

DISCRIMINATION AWARD

QUESTION. You have recently informed the committee of a $5,000,000 settlement against GAO for two discrimination cases that had been under review for several years and requested a fiscal year 1985 program supplemental to cover the award. Please provide the committee additional background information on these cases and explain why this matter should not be referred to the courts.

ANSWER. GAO is settling in one agreement two distinct administrative class action complaints processed under separate but similar procedures.

The Fogle class action was processed under EEOC procedures. After an extensive hearing on the case's merits, the EEOC hearing examiner recommended a finding of racial discrimination against the class in opportunities for evaluator promotions under GAO's prior competitive selection program. This finding was accepted by GAO, thereby establishing liability to the class. The Mason class action is being processed under GAO's discrimination complaint procedures which are similar to EEOC's. This action presents a complaint which alleges disparate treatment by GAO and disparate impact against the class of black evaluators in many areas of employment, including promotions, training, and awards. GAO has not admitted liability to any of the allegations, but the case has not yet reached the hearing stage. GAO is settling both cases in one agreement since the classes as defined in both cases are largely overlapping, consisting of most of the black evaluators in grades 12-15, employed or formerly employed at GAO. Resolution at this time precludes prolonged litigation of these actions through the administrative and federal court processes, which is not in the interests of either GAO or its employees. Further, the settlement amount is far less than GAO's potential liability in the two cases should they go to litigation.

The procedures governing these cases provide for and encourage settlement prior to the full administrative processing of the cases and ultimate court adjudication. An administrative settlement provides for the same types of relief as a court can provide, except unlike a court action, any moneys agreed to under an administrative settlement, including attorney fees, must be funded under an agency's appropriation rather than the Judgment Fund.

COMPETITION IN CONTRACTING ACT

QUESTION. What is the current status of court challenges to the Competition in Contracting Act of 1984? What is OMB's role in these challeges? What is the role of the Senate legal counsel?

ANSWER. The Department of Justice has challenged the constitutionality of the Competition in Contracting Act in three cases in which firms sought a court order restraining procurement action until GAO decided their bid protests. In only one case was the constitutionality decision addressed by the court. The United States District Court for the District of New Jersey granted a preliminary injunction on grounds that the statute is constitutional. The Justice Department appealed this decision to the Court of Appeals for the Third Circuit and final briefs will be filed in early July.

A fourth case, in the Northern District of California, has raised the constitutional issue and the Justice Department has announced that there, too, it will claim the act is unconstitutional.

The Justice Department represents the executive branch in such cases. While OMB Bulletin 85-5, directing agencies to violate the act, gave rise to the court cases in the first place, it is our understanding that OMB issued its bulletin pursuant to Justice's instructions.

On behalf of the United States Senate, the Legal Counsel for the Senate has intervened in each of the cases in which the constitutionality of the Competition in Contracting Act has been an issue. He has been a strong and effective advocate on behalf of the Senate in supporting the constitutionality of the statute.

QUESTION. How many attorneys and support staff will be needed in fiscal years 1985 and 1986 to implement the provisions of the Competition in Contracting Act. What was the staffing level prior to enactment of CICA?

ANSWER. Prior to enactment of CICA, our staffing level was 40 attorneys and 19 support positions. At present we are basing our planning on a staff of 59 attorneys and 24 support personnel. We hope this will be adequate to ensure that the Congress' objectives in enacting CICA are met. The critical test will come this fall when a disproportionate number of bid protests are traditionally filed.

QUESTION. What is the number of working days required under CICA to decide each case? How does this compare to processing time prior to CICA? Please identify the steps in these processes.

ANSWER. The CICA bid protest provision has been in effect since January 15, 1985, and our data should be taken as preliminary. It appears, however, that cases are now being closed in an average of less than 30 working days. This compares with a fiscal year 1984 average of 70 working days for all cases filed. Under CICA, we are averaging 60-70 working days in cases that go through our full case development cycle, which includes obtaining a report from the contracting agency, comments from the parties on the report, and in some cases, conferences with the parties. The comparable fiscal year 1984 full case development figure was 123 working days. According to this data, we will be able to meet the 90 working-day standard in CICA. Prior to implementing CICA, 180 working days were required to decide all cases.

STATEMENT OF CHARLES A. BOWSHER
CHAIRMAN, RAILROAD ACCOUNTING PRINCIPLES BOARD

Mr. Chairman and Members of the Subcommittee:

I am appearing before you today in my capacity as Chairman of the Railroad Accounting Principles Board to discuss the budget estimate of $1,000,000 for the Board operations during Fiscal Year 1986. Before describing the details of our budget estimate, I would like first to review briefly for you the Board's activities to date.

In December, I appointed the six Board Members who will work with me to establish accounting principles for use by the rail carriers regulated by the Interstate Commerce Commission. They are:

--Charles W. Bath, Vice President-Traffic, Farmland Industries Inc., Kansas City, MO;

--Richard E. Briggs, Executive Vice President, Association of American Railroads, Washington, DC;

--J. L. (Jack) Mahaffey, President, Shell Mining Co., Houston, TX;

--Merton J. (Joe) Peck, Professor of Economics, Yale University, New Haven, CT;

--Gordon Shillinglaw, Professor of Accounting, Graduate School of Business, Columbia University, New York, NY, and

--Ronald S. Young, Director, Bureau of Accounts, Interstate Commerce Commission, Washington, DC.

Mr. Charles R. Yager, formerly a Senior Manager with Peat Marwick, Mitchell & Co., was appointed as Executive Director of the Board effective February 17, 1985. Mr. Yager is in the process of organizing the office, developing the work plan and selecting individuals to serve on his staff. We expect the RAPB staff to consist of 12 professionals and 3 support for a total of 15.

The Railroad Accounting Principles Board is within and responsible to the Legislative Branch. The Board's mission, as specified in the Staggers Rail Act of 1980, is to establish "principles governing the determination of economically accurate railroad costs directly and indirectly associated with particular movements of goods." These principles are to govern the calculation of railroad costs to be considered in railroad rate determinations by the Interstate Commerce Commission (ICC).

Historically, ICC has used its Rail Form A methodology for cost funding. In early 1983, the ICC instituted a rulemaking proceeding in which it proposed to adopt the Uniform Rail Costing System (URCS) as the exclusive methodology for computing costs for certain variable cost threshold provisions of the Staggers Act. In comments to the proceeding, the railroad industry supported the proposal while shippers suggested continued use of Rail Form A until URCS has been adequately applied and tested. Recently, the ICC decided to delay use of URCS as a regulatory tool until the Railroad Accounting Principles Board has had an opportunity to develop the principles under which such cost calculations should take place.

The Board members held a preliminary meeting on January 7, 1985, to discuss the mission of RAPB, the issues it must deal with, and how it will proceed with its work.

The Board members are scheduled to meet again on March 6, 1985. The Board has begun soliciting the views of interested parties on what issues need to be addressed. The Board will consult with representatives of all groups, including professional and industry associations, the academic community, government agencies, and representatives of individual companies.

The fiscal year 1986 Budget request of $1,000,000 represents the amount authorized by the Staggers Rail Act as amended by H.R. 4439 (98th Congress, as passed by the House of Representatives on February 7, 1984), for the annual operation of RAPB. It is, we believe, the minimum amount necessary for the Board to perform the massive task of developing Accounting Principles for use in calculating costs for rate determinations under Title 49.

The fiscal year 1986 budget estimate will be allocated as follows:

--$784,000 for salaries and related benefits of the members of the Board, permanent professional staff, part-time consulting assistants, and supportive clerical staff.

--$85,000 for travel of the Board staff to gather data and meet with various shippers, rail carriers, and others to facilitate development of the "Principles". It will also pay for Board member's travel to Washington, DC for periodic RAPB meetings.

--$56,000 for contractual services, computer services and reimbursement to other Government agencies for administrative and personnel services.

--$75,000 for costs of space and services, communications, utilities, printing and reproduction and supplies and materials.

This statement covers, in general, a summary of the Board's activities. I will be glad to answer any of your questions.

QUESTION. Who are the members of the Board? What interests do they represent? By whom are they regularly employed?

ANSWER. The following is a list of the Board members including their professional background.

Richard E. Briggs
Executive Vice President
Association of American Railroads
Washington, DC

Before assuming his present post at the Association of American Railroads in 1979, Mr. Briggs was AAR's vice president for economics and public affairs and served as the railroad industry's chief financial witness in major rate cases. From 1962 to 1969 when he joined the association, he was special assistant to various members of the ICC, and directed staff studies of rail passenger service, transportation mergers, and rates. Mr. Briggs is a graduate of Princeton University and was a Woodrow Wilson Fellow at Harvard University's Graduate School of Arts and Science.

Charles W. Bath
Vice President-Traffic
Farmland Industries Inc.
Kansas City, MO

Since 1953 Mr. Bath has been with Farmland Industries in a variety of positions in the Traffic Division before being named vice president in 1981. Earlier in his career, he was with the Santa Fe Railroad. He is a member of numerous professional organizations and serves as a director of the National Waterways Association, the Mid-States Port Authority and the OKT Rail Users Association. Mr. Bath studied transportation and interstate commerce law at the University of Missouri, Kansas City.

J.T. Mahaffey
President, Shell Mining Company
Houston, TX

Mr. Mahaffey joined Shell Oil Company, the parent company of Shell Mining Company, in 1957 as a petroleum engineer. He served in a variety of positions of increasing responsibility within the Shell organization before being named president of Shell Mining earlier this year. He currently serves as a director of the National Coal Association and is chairman of the Coal Leasing Committee. He is also a member of the Synfuels Committee of the American Mining Congress. Mr. Mahaffey holds BS and MS degrees in petroleum engineering from the Ohio State University.

Gordon Shillinglaw
Professor of Accounting
Graduate School of Business

Columbia University
New York, NY

Dr. Shillinglaw has been affiliated with the Graduate School of Business at Columbia University since 1961. He serves as a director of the Scudder Capital Growth Fund, Scudder Development Fund, Scudder International Fund, Scudder Master Investment Services Fund and the Scudder Master Investment Services Tax-Free Fund. He also is director and treasurer of the Feris Foundation of America. From 1978 to 1980, he was a member of the Cost Accounting Standards Board. A graduate of Brown University, Dr. Shillinglaw received his M.S. degree from the University of Rochester and his Ph.D. from Harvard.

Merton J. Peck
Professor of Economics
Yale University
New Haven, CT

Dr. Peck has been a professor of economics at Yale since the early 1960's and served as chairman of the department during most of that time. In the 1950's he was an associate professor of economics at Harvard. He served as a member of the Council of Economic Advisors under President Johnson from 1968 to 1969. He has written extensively on transportation issues and the American economy. Dr. Peck earned his undergraduate degree at Oberlin and his Ph.D. from Harvard.

Ronald S. Young
Director, Bureau of Accounts
Interstate Commerce Commission
Washington, DC

Mr. Young's career in public service began in 1970 when he joined the ICC as branch chief, Section of Accounting. Subsequently he served as deputy director of the Bureau of Accounts and was named director in 1980. Before moving to ICC, he was a senior auditor at Ernst and Whinney, Cleveland and J.K. Lasser and Company, Washington, DC. He also served as budget manager for Marriott Corporation, Washington, DC and assistant to the controller, Hobart Brothers Company, Troy, Ohio. He holds a B.A. degree from Ohio State University and earned a graduate degree at Southeastern University, Washington, DC.

QUESTION. Whom did you appoint as the Executive Director of the board? What is his background?

ANSWER. We have appointed Mr. Charles R. Yager as the Railroad Board's Executive Director. Before asuming his current position as Executive Director of the Railroad Accounting Principles Board, Mr. Yager was a senior manager at Peat, Marwick, Mitchell & Company in Washington, DC, where he specialized in areas of business planning, financial analysis, financial modeling, litigation support, and reorganization services. Mr. Yager has been with that firm since 1971 in a variety of consultant and managerial roles. His experience includes large-scale investigations of the railroad industry. He also served briefly with the U.S. Railway Association where he coordinated operational planning for the merger of Conrail's five predecessor railroads. Mr. Yager received his B.S. degree in Management Science from the Case Institute of Technology in 1971 and his M.B.A. from the Harvard University Graduate School of Business Administration in 1975.

CHALLENGES AND PROBLEMS

QUESTION. What are the major challenges and problems facing the Railroad Accounting Principles Board (RAPB)?

ANSWER. Overall, the RAPB has as its objective the creation of sound economic cost accounting principles. The Staggers Act mandated that the board submit its report within two years. Therefore, it is important that the RAPB take all steps necessary to ensure that the best available resources are brought to bear to the board's efforts and that obstacles that may prevent the RAPB from meeting its mandated timetable are removed.

At the board level, we have assembled an excellent group of members, each of whom is committed to approach his responsibilities with fairness and integrity. I am very pleased with the progress that the board has made over the past three months and feel certain that given adequate support, the board will live up to Congress' expectation.

At the staff level, we are proceeding to accomplish our workplan. This includes the organization and staffing as well as the technical research and analysis which must take place in future months. The Title V exemption provided the board in the Staggers Act has proven to be a vital ingredient to the board's successful progress.

The remaining challenges are the technical questions surrounding the cost accounting and regulatory reporting issues before the board. We have had good initial response to our first request for comments on issues the board should take up and look forward to even greater participation in the future.

QUESTIONS SUBMITTED BY SENATOR BUMPERS

STAFFING

QUESTION. What are the Board's plans for staffing? Can consultants and contractors be used to balance the Board's needs for staff? How many people are currently employed?

ANSWER. At present, we have hired or extended offers of employment to eight people. We anticipate an additional three offers to be made by the end of May 1985.

Our current planning provides for up to fifteen full-time staff positions. However, we remain cognizant of the changing skills that will be required by the board over the next two years. Therefore, we have identified skills that we believe will be required over the full two years of the board as our first priority, and will make final staffing decisions only after we see a clear need for staff.

In this way, we believe that we will most effectively use the resources available to the board. We intend to use consultants and contractors to the extent their use better tailors the composition of skills available to the board and is cost effective.

SHIPPERS' INTEREST

QUESTION. What steps are being taken to ensure that the shippers' point of view is reflected in the deliberations of the board?

ANSWER. Several steps have been taken to ensure that the perspectives of both shippers and railroads are fairly and objectively considered over the next two years. First, Congress has specified the composition of the board to represent among others railroads, large shippers, and small shippers. The board members selected to represent those groups are both highly qualified and motivated to ensure a fair and objective result.

Second, the Executive Director has structured his staff along the lines of the board's composition. Thus, he has provided for both railroad and shipper perspectives in the staff. In addition, one of his criteria for selecting individuals to serve on the staff has been their ability to objectively and independently evaluate the strengths and weaknesses of proposed principles. By encouraging consensus at the staff, board, and industry levels, it is our hope that a solution acceptable to all can be reached.

Third, to solicit shipper ideas and listen to their concerns, we will continue to actively seek them out both individually and through the associations that represent them. Several shippers responded to our recent request for comment on the issues that they felt the board should take up, and we hope many more will comment regarding their positions on the issues facing the board.

COST PRINCIPLES

QUESTION. You stated the RAPB has as its objective the creation of sound economic cost accounting principles. Will the Board make use of the Uniform Regulatory Costing System (URCS) developed for use by the ICC?

ANSWER. As a portion of the work the Board must perform to develop sound cost accounting principles, we shall be reviewing the URCS and its underlying principles. The commission has been developing URCS as a replacement for Rail Form A since 1976. In 1976, Congress, through the Railroad Revitalization and Regulatory Reform Act (4R Act), directed the ICC to revise the URCS to comply with generally accepted acounting principles and provide more detailed expense data for regulatory purposes.

OFFICE OF TECHNOLOGY ASSESSMENT

STATEMENT OF JOHN H. GIBBONS, DIRECTOR, OFFICE OF TECHNOLOGY ASSESSMENT, U.S. CONGRESS

PREPARED STATEMENTS

Senator D'AMATO. We have Mr. Gibbons, Director of the Office of Technology Assessment, U.S. Congress. I am going to ask that his complete statement be entered into the record as if given in his eloquent text to the committee.

Mr. GIBBONS. Thank you, sir.

Senator D'AMATO. And I note that we also are entering into the record statements from Senator Stevens and Congressman Udall.

[The statements follow:]

STATEMENT OF JOHN H. GIBBONS

Technology Defined

The swift pace of technological developments over the post-WWII years made Congress aware that it is "[necessary] to equip itself with new and effective means for securing competent, unbiased information concerning the physical, biological, economic, social, and politial effects of such (technological) applications."* What are "technological applications?" "Technology" is generally understood to mean applied knowledge derived from discoveries in, especially, science, engineering, and mathematics, but also other areas of research, such as economics, systems analysis, and management. The specific applications of technology can range from "hardware," such as turbocharged diesel engines, solid state vacuum pumps, and photo-resistive etching, to "software," such as gene-splicing procedures and computer programs, or to combinations of hardware and software.

OTA's Mission

Congress created OTA "... to provide early indications of the probable beneficial and adverse impacts of the applications of technology and to develop other coordinate information which may assist Congress."* OTA is the nonpartisan analytical support agency serving the U.S. Congress by providing objective analyses of major public policy issues related to scientific and technological change. We strive to make the focal points of OTA's work (1) *technology in its various stages*, from innovation, research, and development, to application and use; (2) *basic as well as applied science*; (3) the *impacts*; and (4) the *policy issues* associated with science and technology. In response to Committee interests, much more of our time is spent on the implications of *present* technological capabilities than on projections of future scientific discoveries and technological trends.

OTA emphasizes shaping the scope of its work to be responsive to the needs of our clients -- Congressional committees -- and the complementary capabilities of our sister agencies (CBO, CRS, GAO). We also pay a great deal of attention to supplying the requested information in a manner timed, packaged, and delivered to be most helpful to Congress. Specifically, OTA works with requesting Committee staffs throughout a project in order to assure that the analysis remains responsive to need, and that information is available to the Committees, even its preliminary form. "Delivery" of an assessment to Congress can begin early in the course of the analysis (e.g., through testimony and briefings) and frequently continues long after publication of the final report.

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* P.L. 92-484, "Technology Assessment Act of 1972"

OTA prepares information in a hierarchy of detail in order to match different information needs of various Members and staffers. While our detailed assessment Reports are of greatest use to Committee staff working directly in the subject area, they also provide the full documentation of findings given in the Summaries. Our 20-40 page Summaries and one-page Report Briefs are designed for Members not working directly on the issue but who must vote on the subject. At a given time, the specific needs of Committees are usually more focused in scope than our assessments. For that reason, OTA prepares Technical Memoranda, Background Papers, Staff Memos, testimony, and briefings as required, drawing the information from ongoing or completed assessments.

OTA also provides the results of its analyses to the interested public, especially relevant experts beyond the Legislative Branch. This includes individuals and organizations who assist OTA in its work (e.g., State and local governments, the National Academy of Sciences, corporations, associations, Executive agencies, and individual scholars).

The number of people and organizations helping OTA in its work is large (about 2000 per year), and they come from both inside and outside government. We build upon the work of our sister Congressional agencies as well as Executive branch agencies and private sector organizations in a variety of ways, including representation in our advisory panels and workshops and service as detailees, contractors, and reviewers. This mode of operation makes it easier for OTA to use not only published information, but also unpublished information; and it also makes it less likely that OTA will duplicate prior or ongoing work by another agency.

Effectiveness

Many things contribute to Congressional decisions, making it especially difficult to accurately gauge the impact of OTA's work. We can point to the use of a report in debate or in the writing of a bill, but are seldom in a position to measure precisely its effect on a policy or appropriations decision in Congress or on decisions made by others (e.g., Executive agencies, state and local governments). In some instances, for example Review of Postal Automation Strategy: A Technical and Decision Analysis or A Review of Selected Federal Vaccine and Immunization Policies Based on Case Studies of Pneumococcal Vaccine, the impacts of OTA's work are readily and directly traceable to substantial savings and cost-effective improvements in services. More often, OTA's contributions provide Congress with alternative options to deal with science and technology issues, and OTA's products are among many that Congress uses to understand and deal with broad, emerging issues. Such issues include Protecting the Nation's Groundwater from Contamination and Impacts of Applied Genetics. I would like to briefly review a few of the legislative uses of OTA's work completed in FY 1984 and to date, and I urge you to review OTA's current Justification of Estimates for Fiscal Year 1986 (pp. 25-30 and 82-100) for a more complete summary.

Relation of Work to Legislative Activities

1. OTA contributed three studies (Technologies and Management Strategies for Hazardous Waste Control; Habitability of the Love Canal Area; and Superfund Strategy) to the Congressional debate on hazardous waste issues. OTA identified ways to save substantial sums of money in the long term -- probably many hundreds of millions of dollars -- by bringing about changes in government regulations and management practices that will avoid and prevent costly corrective actions at future uncontrolled sites. Both the Senate and House reauthorizations of RCRA include two such provisions: limiting the use of land disposal, and regulating small volume waste generations.

2. OTA was mandated by Congress to review the original Veterans' Administration protocol for a study of possible Health Effects from Agent Orange on Vietnam War Veterans that is going to cost between $70 million and (perhaps) $200 million. OTA was partially responsible for the analysis of ground troops' health effects being moved to the Centers for Disease Control, part of the Department of Health and Human Services. Since the move, OTA reviewed and approved CDC's plans for the study and will now monitor the study's conduct. OTA has testified about CDC's plans and the results of CDC's study of birth defects related to Vietnam service. As a result of the mandated involvement of OTA, Congressional Committees have requested advice on several other issues related to Agent Orange.

3. OTA's Report, Nuclear Power in An Age of Uncertainty, provides a detailed analysis of the problems facing the federal government and the nuclear power industry in the U.S. and a basis for restoring the nuclear option in the United States should it be needed. The technical options were used as support for new nuclear R&D initiatives from the Congress, and the report has been received as a key source of analysis for energy policy makers.

4. An OTA Technical Memorandum, Review of Postal Automation Strategy: A Technical and Decision Analysis, was used by the House Committee on Post Office and Civil Service to reexamine the plans of the Postal Service to invest $400-500 million in optical character reading equipment for use with the nine digit zip code. Subsequently, the USPS adopted a strategy, consistent with OTA analysis, that provides for cost avoidance, over the life of the investment, of a minimum of several hundred million dollars.

5. Testimony and advice drawn from OTA's ongoing assessment of Information Technology Research and Development was used by the House Committee on Science and Technology and the House Committee on

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Appropriations to develop policy for a variety of federal actions to stimulate the development and use of supercomputers.

6. Testimony prepared from OTA's ongoing study of Intellectual Property Rights in An Age of Electronics and Information helped the House and Senate Committees on the Judiciary in developing a new law that provides intellectual property protection to the microelectronics industry.

7. Acid Rain and Transported Air Pollutants: Implications for Public Policy -- To assist Clean Air Act deliberations, this assessment produced more than 20 interim products prepared for both the House and the Senate, in addition to the full assessment report. These included several bill analyses and special responses in the areas of control costs and ecological effects. The staff has conducted numerous briefings and testimony on different parts of the assessment.

8. International Competitiveness in Electronics provided Congress with information on: 1) the importance of gathering information on Japanese science and technology; 2) the need for Federal support for technology development; and 3) the effects of the U.S. tax system on productivity. Partially as a result of OTA testimony on the subject, Congress authorized an expanded role for the National Technical Information Service in acquiring and disseminating information on Japanese science and technology, and made modifications in two bills concerned with manufacturing -- H.R. 4047 and H.R. 4415 — based on OTA's suggestions.

9. Environmental Protection in the Federal Coal Leasing Program -- Congress mandated OTA to review the potential environmental consequences of changes in federal coal leasing policy that occurred in 1981 and 1982. The Department of Interior concurred with nine of the ten technical and policy options suggested by OTA, has already

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begun to implement three, and is studying how to implement the remainder. If fully implemented, these revisions should ensure adequate environmental protection without adding to the cost of operating the program.

10. The OTA assessment, Potential U.S. Natural Gas Availability, estimated for the U.S. lower 48 states, the production potential of conventional and unconventional natural gas over the next 20 to 30 years and analysed the technical factors that would affect this potential. The study verifies the estimates of natural gas producers that increased prices of old natural gas (gas put into interstate commerce prior to 1977) will significantly increase the quantitiy of old natural gas reserves. The report projects the reserve additions that would occur in the event of removal of price controls on old gas. This was a key element in the debate over gas pricing.

11. Scientific Validity of Polygraph Testing: A Research Review and Evaluation - This Technical Memorandum indicated that there is little or no scientific basis for the expanded uses of polygraph testing proposed by DOD and other branches of the federal government. The review is widely used as the technical basis for the substantive debate as Congress continues to address the issue. It was used heavily for development of a bill that would limit federal polygraph use, and was the focal point of House hearings on that bill and Senate hearings on DOD polygraph use.

12. Technology, Public Policy, and the Changing Structure of American Agriculture: A Special Report for the 1985 Farm Bill -- This special report was prepared to provide assessment findings which are relevant to the 1985 Farm Bill discussions. The report focusses on three main policy areas -- commodity, credit, and research and extension -- as well as summarizing background information on emerging technologies and trends in structural change.

Current Work

The most controversial and complex issues facing Congress are most often the subjects of OTA's work. At present, our work includes studies of:

1. Disorders Causing Dementia -- The economic costs and social and health problems associated with disorders that cause deterioration of mental function (dementia) are growing rapidly. This assessment is considering Federal policy relating to two major Federal functions: 1) support of research intended to provide treatment or means of prevention, and 2) financing and monitoring of long-term care for those who have dementia.

2. "Designer Drug" Enforcement Problems -- Designer drugs are synthetic drugs that are structurally and pharmacologically similar to controlled substances. Since they are not chemically identical to controlled substances, they are legal substitutes for illegal psychoactive drugs. These substances are very potent and not detectable by routine analytical methods. They have so far caused nearly 100 deaths and numerous cases of serious, long term side effects. OTA is examining such questions as: 1) how difficult are designer drugs to synthesize; 2) what are their pharmacological properties; 3) what is the magnitude of use; 4) is use likely to increase substantially; and 5) what legislative changes might increase the effectiveness of the Drug Enforcement Administration in controlling these substances.

3. Technology and Structural Unemployement Reemploying Displaced Adults -- This study is examining both domestic and foreign reemployment and retraining programs to evaluate their ability to reduce unemployment and provide reasonable opportunities to displaced adults. Alternatives to displacement, such as continuing education for adults, plant conversion, and worker buyouts, will be assessed with respect to their ability to avoid displacement

problems. Structural factors affecting the success of reemployment programs, including the rate and type of job creation, changes in patterns of international trade, and changing technology, will be examined.

4. Physicians and Medical Technology: Use, Cost, and Payment Methods -- Physicians directly or indirectly account for an estimated 80 percent of expenditures on medical technologies, and attention is increasingly being turned to them in the effort to control the use and cost of medical technology. In accordance with a provision in the Deficit Reduction Act of 1984 (Public Law 98-369) the Office of Technology Assessment is examining alternative methods of paying physicians under the Medicare program, including prospective payment.

5. Federal Government Information Technology: Congressional Oversight and Civil Liberties -- The U.S. government, already a major user of computerized information systems and other information technology, is at the threshold of a major transition to the next generation of this technology. OTA is compiling the first comprehensive profile of the government's information technology capabilities and will evaluate where and how computerized systems are fundamentally changing the administrative process, possibly outstripping the existing framework of legal and procedural safeguards to civil liberties and mechanisms for congressional and judicial oversight.

6. Technologies for Disposing of Waste in the Ocean - It is likely that pressure to use the ocean for waste disposal will continue or increase because of lower cost and opposition to land disposal. OTA will examine the different technologies used or proposed for disposal of different types of waste in the ocean, and will address policy issues related to the role of the oceans within an overall waste management context, alternative strategies for managing these wastes in coastal areas, the pretreatment of wastes prior to disposal, and research and development priorities.

7. New Ballistic Missile Defense Technologies — The "strategic defense initiative" (SDI) calls for a greatly accelerated program of research and development of ballistic missile defense (BMD) systems, with the avowed goal of "eliminating the threat posed by nuclear ballistic missiles." The study is developing criteria for assessing potential BMD systems and their components by identifying a range of possible objectives for a deployed system and translating these into performance requirements. The project also includes analysis of anti-satellite (ASAT) systems, since ASAT and BMD technologies are inherently related — advanced BMD systems would almost certainly have ASAT capabilities, and ASAT systems are among the critical possible countermeasures to a BMD system.

Future Work

OTA is often asked what assessments it is planning to undertake. Our agenda is determined by the felt needs of congressional committees, so we obviously hesitate to predict our agenda. However, OTA has prepared an illustrative list of subjects that are representative of the kinds of new assessments that we may be asked to undertake. This list is drawn from a much longer group of subjects that has come to OTA's attention via its own work as well as from interactions with Members and staff of Congress, and from peers outside government. A list of the representative studies is given in the attachment to my testimony and is also given on pages 101-102 of the Justification of Estimates.

Summary of Request

In FY 86, OTA anticipates an increase in requests for new and follow-on assessments of critical concern to Congressional committees, as well as increased demand for testimony and briefings resulting from ongoing and completed assessments. Deficit reduction and other federal budget pressures will undoubtedly cause most attention at OTA to be fixed upon the specific needs of the 99th Congress, but OTA should also continue to direct a significant portion of its efforts toward being at the cutting edge of science and technology and toward anticipating longer term issues in science and technology.

The FY 86 request of $17,000,000 would provide an increase of about three percent over assumed (4%) inflation. OTA appreciates the imperative for very serious belt-tightening within the federal government, and constantly works at improving its productivity. OTA's Congressional Board works closely with the Director to ensure that the work we undertake merits the use of our limited resources. As budget pressures mount, it is increasingly important to carefully analyze the options and impacts. Many of the largest increases as well as cuts in the President's FY 1986 budget request are directly related to technology, indicating an urgent need for careful, bipartisan analysis. Under its statute, OTA is organized to help Congress avoid overdependence on the advice of the Executive Branch and advocates.

OTA is prepared to utilize to the fullest whatever resources are made available for its work, and we are committed to work with the Committee to that end.

OTA Temporary Employees

OTA has always supplemented its permanent staff with temporary appointments and other methods (e.g., contractors, detailees) to provide flexibility in carrying out an approved assessment or project. The intent has always been to search for the best outside people for the task at hand and not be obligated to keep them indefinitely on our rolls. In this way, recruitment can be pinpointed to suit the specialized needs of a specific project, and maintain a capacity to meet changing needs of Congress while still providing continuity and institutional memory through its permanent staff.

Initially, mostly contractors and consultants were used to provide this extensive outside expertise. For example, OTA housed 41 on-site contractors in February 1979 (28% of OTA's on-site personnel). Beginning in fiscal year 1981, OTA began to shift from the use of on-site contractors to the use of temporary appointments. This change allowed OTA to broaden the assignments and usefulness of outside expertise at considerable savings in cost. Today, OTA's 64 temporary employees serving 26 assessment projects compose 30% of on-site personnel.

OTA's policy is to appoint temporary employees with a termination date no later than the anticipated completion date of the assigned assessment. This policy has proven efficient and successful.

It should be noted that 18% of the temporary employees on OTA's staff in FY 1984 were converted to permanent appointments. In these cases temporary appointments allowed OTA to fully evaluate the performance of potential employees before permanently assigning them OTA's staff positions made available largely through natural turnover. In addition, 45% of the FY 84 temporary employees separated during the fiscal year. This demonstrates OTA's effort to obtain the required expertise only for the specific time needed, since a year represents about 50% to 60% of the time an assessment takes to complete.

The ability of OTA to carry out assessments in many diverse areas and its flexibility to undertake projects in technical fields responsive to the demands of Congress depends largely upon OTA's ability to secure nonpermanent specialists who can work closely with OTA's permanent staff for the duration of an assessment or project. OTA has found the current, flexible procedures for staffing projects to be practical, economical, and effective. The extensive use of temporary employees is a prime factor in OTA's ability to produce the highest quantity and quality of data for Congress within a modest budget.

I appreciate the Committee's consideration of OTA's request for FY '86 and recognize the fiscal restraints with which it must deal. I am confident that we will be able to continue to meet the most critical needs of the Congress for high quality, dependable analysis with the funds Congress makes available to us.

Attachment 1

Candidate Areas for Assessment in Fiscal Years 1985 and 1986

The 57 topics given in this list have been identified by Congressional committees, OTA, and its advisors as typical technical issues that the Congress will face over the next several years. Of course, the list does not necessarily contain the assessments OTA will actually undertake in Fiscal Year '86. Note: This list is not given in order of priority.

- Advanced Materials: Strategic and Economic Implications
- Technologies for Control of Drug Traffic
- Wastewater Systems
- Deregulation of Electrical Utilities -- Technical Aspects
- Roads and Bridges
- Energy and Developing Countries
- Is There Still an Energy Problem?
- Potential for a Competitive U.S. Pollution Control Industry
- Competitiveness in Beleaguered U.S. Industries
- Mechanisms to Encourage the Development and Diffusion of New Industrial Technologies
- Technologies for Improving Productivity in Manufacturing
- Technology, Vocational Education, and Jobs for Hardcore Unemployed Youth
- Long-Term Consequences of Nuclear War
- Technology Transfer to the Peoples' Republic of China
- Advanced Conventional Weapons for NATO's Defense
- Implications of Developments in Defenses Against Chemical Weapons
- Government Policies and Technology Exchange Between the U.S. and Japan
- Human Reproductive Technologies
- Biological Testing and the Law
- Pain and Pain Relief
- Life Expectancy Differences
- Drugs and Chemicals Affecting the Mind
- Deliberate Release of Genetically Altered Organisms Into the Environment
- Implications of New Technologies in Marine Biology
- Technology Transfer in U.S. Agriculture
- Low-Input Agricultural Technologies for LDC's
- Drugs in Livestock Feed
- Reclamation of Degraded Lands for Agricultural Use
- Technologies for Intensive Food Production on Very Small U.S. Farms
- Disease Prevention Technologies
- Technologies to Prevent Morbidity and Mortality During Childhood (and/or Adolescence)
- Trends in Survival from Cancer
- Care for the Chronically Mentally Ill
- International Telecommunications
- Information Technologies and the Social Security Administration
- Information Technologies and the Delivery of Government Services
- The Influence of Information Technologies on Democratic Processes
- Information Technologies and the Machine Tool Industry
- Information Technologies, China, and the Pacific Rim
- Information Technologies, Automation, and Securities Markets
- Security and Vulnerability of Information Systems
- Information Technologies and Small Business
- Environmental Monitoring and Forecasting
- Anarctica
- The Potential for Living Marine Resource Development
- Prevention of Groundwater Contamination
- Health of the Nation's Rivers, Bays, and Estuaries
- How to Solve Indoor Air Pollution Problems

- **International Competitiveness of U.S. Ocean Technologies**
- **Potential Climate Change From Technological Applications**
- **Human Needs and Resources for Science**
- **Government Funding of Research as an Investment**
- **The Regulatory Environment for Science**
- **U.S./Soviet Scientific and Technical Cooperation**
- **Comparison of U.S./Soviet Scientific and Technical Education**
- **Transportation Technology Monitoring and Update**
- **Future Transportation Research**
- **Foresight in Transportation Issues**

STATEMENT OF SENATOR TED STEVENS, CHAIRMAN, CONGRESSIONAL BOARD, OFFICE OF TECHNOLOGY ASSESSMENT

Today's budgetary pressures mandate that we scrutinize all authorizations and appropriations to ensure that programs are necessary and are providing a good product for the Federal dollars spent. In order to make these decisions effectively, it is imperative that Congress have access to unbiased, timely, and clear information on which to base decisions about scientific and technological matters and their benefits and consequences. The reports and other information provided to committees by the Office of Technology Assessment at times constitute analyses that Congress needs to carry out its responsibilities in matters of science and technology. OTA's assessments provide timely, comprehensive analysis on topics of current interest to Members and committees, thereby facilitating informed decisions on the tough budgetary issues presently facing us.

It is clear that both Houses of Congress take advantage of the shared resources of OTA. In addition to formal assessment reports, OTA provides technical memoranda, background papers, workshops, testimony, and briefings. The Office of Technology Assessment has recently published reports dealing with such diverse areas as toxic wastes and ground water contamination, the changing structure of American agriculture, technology and aging, oil and gas technologies for deepwater and the Arctic, and the import vulnerability of U.S. materials. Studies in progress cover such topics as:

—Technology and structural unemployment: retraining adult displaced workers.

—International competition in the service industries.

—New ballistic missile defense technologies.

—Physicians and medical technology: use, cost, and payment methods.

—Disorders causing dementia (Alzheimer's disease).

—Federal Government information technology: congressional oversight and civil liberties.

—Technologies for disposing of waste in the oceans.

—Hazardous materials transportation.

—Technology transfer to China.

Additional areas under consideration for new studies in fiscal year 1986 include: The potential for high technology ceramics and polymer composites; technologies for control of drug traffic; NATO defense technologies; and low-input agriculture in developing countries.

OTA in fiscal year 1985 has already committed almost all of its budget, leaving it with little flexibility to meet congressional demands, including immediate and urgent committee requests as well as long-term studies. The fiscal year 1986 budget request accounts for only the funds necessary to maintain the agency's responsiveness to the demand for services to Congress.

However, the budget request does reflect the continuation of the Board's goal that OTA undertake approximately 15 new assessments a year as well as maintaining the ability to provide interim and post-completion analyses, briefings, and testimony on issues Congress is currently addressing. With this in mind, and in view of the necessary budget tightening, I ask that this budget request be given favorable consideration.

Statement of Congressman Morris K. Udall, Vice Chairman, Congressional Board, Office of Technology Assessment

Mr. Chairman, I am pleased to appear before your committee today in support of OTA's appropriations request. As members of the Board who serve both parties on either side of the Capitol, we are proud to be associated with OTA's reliable, objective, and quality analyses.

OTA's appropriations request of $17 million is now more than ever a necessary investment to keep up with accelerated technological growth and the associated Federal dollars.

Over the past several years, there has been a steady increase in the number of committees served, and in requests for full assessments, short responses, and special analyses. When experts disagree on, for example, the technical or economic impacts of a new technology, the process of decisionmaking becomes particularly confusing. OTA provides a unique, in-house, nonpartisan service to Congress, in that it helps congressional committees resolve uncertainties and conflicting claims and identifies alternative policy options.

The Office of Technology Assessment offers a record of accomplishments that demonstrates its unique ability to aid Congress in developing broad policy options. Let me provide you with a few examples:

This past year, OTA released a comprehensive study on the increasingly threatened agriculture in the arid/semiarid United States. An estimated one-half of the Western United States is experiencing local and seasonal water supply problems. OTA was able to identify a number of congressional actions to promote long-term productivity of this agriculture. This, in turn, would provide new economic opportunities where traditional irrigation is threatened.

The Office of Technology Assessment has also studied international competitiveness in electronics. The study recognizes that in order for U.S. manufacturers to remain the leader in the field of electronics, Congress must establish new industrial policies. In developing these policies, OTA has offered five alternatives that could pay vast dividends throughout our economy.

OTA has also looked into the United States vulnerability to an oil import curtailment. It has described both the short- and long-term effects of a U.S. oil supply shortfall on the economy. In this study, OTA has recommended to Congress alternatives and incentives should such a shortfall occur.

It is clear that the assessments carried out by OTA cover a wide spectrum of major issues that Congress and the country are facing. In addition to the few that I have mentioned, the Office of Technology Assessment was involved in more than 25 projects during fiscal year 1984.

Mr. Chairman, I ask you and your subcommittee to look favorably upon OTA's fiscal year 1986 budget so that it may continue to perform at the current levels of demand. I am confident that this investment will yield a high rate of return.

OTA IS A SHARED RESOURCE FOR CONGRESS

Senator D'Amato. If you would summarize.

Mr. Gibbons. Mr. Chairman, I would like to make just a couple of points for you this afternoon. Senator Stevens, our chairman, has often called OTA the shared staff of Congress or shared resources. I think that is probably the most apt description of the agency. OTA served about 45 different committees in fiscal year 1984 in the House and Senate.

When we carry out our work, we normally are attacking problems that spill over the jurisdictional interests of various committees and, therefore, we usually do studies that are jointly requested by a number of committees—an example is we are doing on disorders causing dementia. In the House the requesters are Energy and Commerce, Science and

AVAILABLE

Technology and the Select Committee on Aging. The Senate requesters for this work are Finance, Veterans Affairs, the Special Committee on Aging, and the Committee on Labor and Human Resources.

So in tackling problems that have a lot of implications for the Congress, what we try to do is identify the interests of the various committees of jurisdiction and interest and then weld these expressions of interest together in a way we can carry out a study that serves their collective needs. We believe this is a lot more cost effective than if each separate committee were to carry out these analyses independently. My first point I wanted to emphasize to you today——

OTA'S WORK ON TECHNOLOGY AND DESIGNER DRUGS

Senator D'AMATO [interposing]. Talking about designer drugs, No. 1, I see you are doing work with respect to that and you indicate that in your testimony. And I think that is extremely important, but how did that come about?

Mr. GIBBONS. It came about out of our discussions at the professional level to the staffers of a variety of committees particularly concerned about health issues. I am sorry I can't recall at this moment exactly which Members or committees were involved in those discussions with us, Mr. Chairman. I would be happy to get that information to you for the record.

Senator D'AMATO. Who will get a report of that?

Mr. GIBBONS. If the request results in a formal assessment, the final report will go to the requesters and simultaneously then to all of the members and would go to the Government Printing Office and become available to the public. Our reports are sold through the GPO and frequently are reprinted, of course, by the commercial press. But when we deliver a report to Congress, if it is an unclassified document, which it usually is, it essentially goes to the entire Congress at the same time it goes to the requesters.

Senator D'AMATO. Would you let me know specifically who requested that?

Mr. GIBBONS. I will, sir, and will be happy to give you a paragraph or two on the content and status of the work.

Senator D'AMATO. Good. I think that is an extremely important undertaking particularly as it relates to what we are likely to be facing and the magnitude of the problem in the future.

Mr. GIBBONS. It is another good example where technology can take you where you don't want to go. In this case, very smart chemists are taking us into a domain that has bypassed a lot of the present law and it is a tricky issue.

[The information follows:]

OTA'S WORK ON DESIGNER DRUGS

On March 27, 1985, the ranking minority member of the Senate Committee on the Budget, Senator Lawton Chiles, requested OTA to study designer drugs in conjunction with his introduction of S. 746, a bill to require the National Drug Enforcement Policy Board to provide a comprehensive assessment of the designer drug problem and make recommendations to Congress for necessary legislation.

Designer drugs are synthetic drugs that are structurally and pharmacologically similar to controlled substances. Since they are not chemically identical to controlled substances, they are legal substitutes for illegal psychoactive drugs. These substances are very potent and not detectable by routine analytical methods. They have so far caused nearly 100 deaths and numerous cases of serious, long-term side effects.

OTA is preparing a short report defining the problem of designer drugs, identifying how the scientific issues are different from the enforcement and control issues, and describing a number of legislative and administrative options. This work should be finished by the second week in June.

IMPACT OF TECHNOLOGY CHANGE ON GOVERNMENT

Senator D'AMATO. Please continue.

Mr. GIBBONS. A second point I would like to make is that we are in a situation in which the analyses that we are asked to take on are getting more frequent and the analyses are getting more complex. I think this inescapably is reflecting the fact that technology change is more and more impacting government. I wish it were different but that is the way it is.

The President's budget, for example, has a large increase in R&D and at the same time it contains requests for cutting in various agencies, including such things as environmental protection. When the budgets get tighter, then the analysis of those budgets and the implications of such cuts or extensions, it seems to me, also merit closer scrutiny. That is one reason why I think we are getting caught up in more requests.

We are caught up not only in doing broad assessments, such as the work we are doing on toxic waste and acid rain, but we are also caught up in a way that causes us to need to deliver interim products of these studies as we go along because we don't have the lead time to do all the work before the information is needed. This makes our work more complex, and in the case of transported air pollutants as an example, we were testifying and delivering documents and briefings to committees of the House and the Senate, majority and minority on both sides long before we were able to complete the formal work itself.

USEFULNESS OF OTA

Senator D'AMATO. Doctor, let me state, first of all, I think the record is pretty clear with respect to this committee and this Senator in particular as it relates to supporting your work. I think for the first time in a number of years we increased your employees, that effort coming from the Senate side. You traditionally had strong support in the House side and maybe not so strong on the Senate side. I have to be candid with you and say during these difficult times there are members on the subcommittee and other committees who suggest an outright termination. Frankly, asked if indeed Congress did get along for such a long period of time without OTA, can't they do it again? I don't intend to pose it as a question. I share with you there is a strong sentiment that may or may not be shared by the majority in both Houses, but that does exist. We would be naive, you and I, to think otherwise. That being the case, recognizing, and I have given this little talk to others who preceded you, including GAO who just left and, obviously, as we talk about attempting to reduce deficits, a case can be made GAO's contribution to this effort and a need for them receiving additional funding becomes even more paramount in the leading function to bring this about.

MAXIMIZE SAVINGS WITHOUT DETRACTING FROM OBJECTIVES

Having said that, I am simply going to ask you to look at this budget submission once again, and a view toward attempting to maximize dollar savings in a manner which would be least detrimental to your objectives and the objectives of OTA. I am not suggesting that you have not done that or that all of the proposals that you put forth are not basically bottom line, and I believe that that is the way you approach it. Again, I would say we much prefer your recommendations and a series of alternatives if we have got to reduce at certain levels, at least hold expenditures to last year's level if not bring it below, where would you be recommending that that be done, and I would hope that you would provide that information to the committee, your people work with Mr. Kennedy, our staff director, in attempting to produce that kind of program because I don't want to, and I don't think the committee should, on its own, undertake this without your support and consultation.

Mr. GIBBONS. Mr. Chairman, we recognize the seriousness of the budget situation not only in the things we are trying to analyze but in our own budget itself.

PRINTING COSTS

Senator D'AMATO. I see printing costs have gone up tremendously. That might be an area, and I am not suggesting there may not be justification or a program you would like to undertake, but given the budgetary constraints, that may be an area that you may cut back.

Mr. GIBBONS. Yes, sir, in fact that is an area we have been working on and I am pleased that we essentially market test our documents by selling them through GPO rather than giving them away. Virtually the only free copies that come from OTA are to the members or staffers or to those people who have helped us out in the study. In terms of budget cuts, for instance, I know we can defer on some investments on increasing our productivity. We have had some gains there in the last several years that have been very important and we appreciate your help in the process of making the agency as maximum effective with the resources available. We are prepared to shoulder our share of the load, too, Mr. Chairman.

COMPUTERS AND PRODUCTIVITY

Senator D'AMATO. If we are going to talk about equipment and computers, I believe those are good investments. We will work that out and you can present that to Mr. Kennedy.

Mr. GIBBONS. I will be happy to do that. One thing we noticed in our investments that is quite clear now, is that over the last 3 or 4 years we have been able to shift our ratio of analytical people to support people from about 75–25 to about 80–20. So to me that is one of the most clear measures of the effect of this kind of investment but such investment is a deferrable thing. In the long term, of course, I would hate to give it up. We have been looking hard at this and we will be happy to work with Mr. Kennedy in trying to present how we would respond to reduction of our request.

SUBMITTED QUESTIONS

Senator D'AMATO. I have some other questions to submit to you for the record from the committee, from myself and then Senator Bumpers who is on the Senate floor now, has asked if I would submit these questions for the record.

Mr. GIBBONS. We will be happy to respond, Mr. Chairman.

Senator D'AMATO. Thank you very much.

Mr. GIBBONS. Thank you very much.

[The following questions were not asked at the hearing but were submitted for response for the record:]

Office of Technology Assessment -- General Reduction

Question: As you know, the President asked for a 10% general reduction in all legislative accounts, and the Senate-passed budget resolution also contemplates a similar reduction. You have previously supplied the Committee with information on the impact of a general reduction on this magnitude. Could you discuss what actions you would have to take if we were to reduce your appropriation to $15,300,000 for FY86?

Response: In order to achieve a 10% ($15,300,000) level, reductions of greater than 10% have been identified in fourteen areas in order to: (1) keep our most productive resource (our staff) as close as possible to current levels; and (2) maintain our fixed costs (e.g., rent) at their actual levels.

A 10% cut would substantially affect OTA's services to Congress, including assessments involving issues of large budgetary impact. The strategy for operating at a 10% reduction would have to be very carefully developed, but we believe we would have to both reduce staff and cancel or curtail some ongoing work, and definitely undertake fewer new commitments. In spite of this, we anticipate completing a wide array of very relevant products and continuing productive work for the Committees of Congress.

FY'86 10% REDUCTION BUDGET
($000'S)

OBJ CLS	DESCRIPTION	FY'86 REQUEST	FY'86 10% REDUCTION $	%
11.10	Full Time Permanent	6,328	6,328	0
11.30	Other than Full Time Perm	1,389	1,000	28
	Total Personnel Comp	7,717	7,328	5
11.31	Comp. for Consultants	206	156	24
12.00	Personnel Benefits	926	879	5
21.00	Travel and Transportation	254	220	13
22.00	Transportation of Things	66	58	12
23.10	Rent Charges -Space	634	634	0
23.20	Rental of ADP Equip.	215	163	24
23.30	Rental of Copier Equip.	241	212	12
23.50	Other Comm. & Utilities	5	4	20
23.80	Telephone Services	488	400	18
24.00	Publishing	600	455	24
25.20	In-house Contractors	550	417	24
25.30	Contracts - Panelists	771	650	16
25.80	Other Services-Contracts	2,060	1,822	12
25.90	Other Services-Misc.	1,799	1,509	16
26.00	Supplies and Materials	215	200	7
31.10	Equipment	17	13	24
31.40	ADP Hardware Purchased	236	180	24
	TOTAL ALLOCATION	17,000	15,300	10

Impact of 10% Reduction for FY '86

Object Class	Description	Amount of 10% Reduction	Impact
11.30	Other then Full Time Permanent	$ -389,000	Approximately 15 fewer temporary appointments.
11.31	Comp for consultants	- 50,000	Approximately 19 fewer consultants.
12.00	Personnel Benefits	- 47,000	Associated personnel benefits with a reduction of 15 temporary appointments.
21.00	Travel & Transportation of Persons	- 34,000	$3,980 less for consultant travel;$30,020 reduction in staff travel.
22.00	Transportation of Things	- 8,000	Reduce USPS franked mail by $2,000; and private freight and mail by $6,000.
23.20	Rental of ADP Equipment	- 52,000	Reduction to be determined.
23.30	Rental of Copier Equipment	- 29,000	Reduce meter charges for 2 Xerox 9500's, 1 Xerox 1075, 5 Canon 400's, 2 Canon 270's for $20,000; reduce copier accessories by $9,000 to FY '85 level.
23.50	Other Communications & Utilities	- 1,000	Further reduce FY'84 obligation level of $8K to $4K.
23.80	Telephone Sevices	- 88,000	Remain at FY'85 level.
24.00	Publishing	-145,000	Print 8 fewer assessments.
25.20	In-house Contractors	-133,000	Reduce number by 10 for $115,000; and associated travel by $18,000.

25.30 Contracts - Panelists	-121,000	Reduce number of meetings and travel by 97 trips for $58,588, and compensation by $62,412.
25.80 Other Services - Contracts	-238,000	Award 30 fewer contracts or contracts of lesser dollar amounts.
25.90 Other Services - Miscellaneous	-290,000	Reduce use of secretarial services by $133,000; court reporting by $73,000; building maintenance by $12,000; $53,000 for computer information retrieval and $19,000 miscellaneous.
26.00 Supplies and Materials	- 15,000	Remain at FY'85 level.
31.10 Equipment	- 4,000	Reduce purchase of equipment and replacement furnishings.
31.40 ADP Hardware Purchased	- 56,000	Remain at FY'85 level.
TOTALS	$-1,700,000	

Office of Technology Assessment -- Supplemental

Question: What are your total FY85 supplemental pay costs and how much more can you absorb?

Response: The current FY85 supplemental pay costs are estimated to be $266,000. The requested amount is $221,000. We are prepared to absorb $45,000. If we absorbed anymore, we would have to postpone action on several current Committee requests, as well as shift some work currently scheduled for FY85 into FY86, with attendant losses in timeliness of completion.

Office of Technology Assessment -- Printing Costs

Question: It is our understanding that you plan to do the same number of assessments in FY86 as in FY85, but you are requesting a $183,000 increase in printing costs, far more than the 6% inflation increase announced in GPO circular letter of April 23, 1984. What justifies your 44% increase in printing costs from $417,000 to $600,000?

Response: OTA's printing requirements are based upon the delivery of its formal assessments to the Congress. This cycle fluctuates based on the start and completion dates of the assessments. For example, in FY84, we had many deliveries with an actual printing cost of $729,000. In FY85, we have more work in progress but anticipate printing costs at $417,000. Therefore, in FY86, the completion of FY85 work in progress will increase the estimated costs to $600,000, including the 6% inflation factor.

Question: The FY 1986 OTA budget request is for $17,000,000, an increase of $1,145,000 over the amount anticipated to be appropriated for FY 1985. The budget also includes a request for 143 positions, the same level as in FY 1985.

Mr. Gibbons, what are the principal items included in the $1,145,000 increase over FY 1985?

Answer: The major items broken down by object class are summarized in the following table:

11	Personnel Compensation	+ 276,000
12	Personnel Benefits	+ 106,000
23	Rent, Communication, Utilities	+ 174,000
24	Printing and Reproduction	+ 183,000
25	Other Services including Contractors and Panelists	+ 320,000
	All other object classes	+ 86,000
	TOTAL	1,145,000

Question: The budget resolution calls for a 10% cut in the Legislative Branch. What effect would such a cut have on the OTA budget?

Response: Please see the answer to the previous question regarding a 10% reduction.

Question: What would be the effect if the OTA budget were frozen at last year's level?

Response: A freeze would require that OTA operate at a level roughly 4.5% below FY '85, taking into account the offsetting effects of improved productivity and inflation. This would mean turning down substantially more Congressional requests, undertaking fewer new commitments, and making some staff reductions, mostly via attrition. (See attached.)

OFFICE OF TECHNOLOGY ASSESSMENT
FY'85/FY'86 LEVEL BUDGET ESTIMATES
($000's)

OBJ CLS	DESCRIPTION	FY'85 EST WITH $221 K SUPPL	FY'86 REQUEST	FY'86 ESTIMATE AT FY'85 LEVEL	
				$	% REDUCTION
11.10	Full Time Permanent	6,052	6,328	6,328	0
11.30	Other than Full Time Perm	1,328	1,389	1,225	12
	Total Personnel Comp	7,380	7,717	7,553	2
11.31	Comp. for Consultants	192	206	175	15
12.00	Personnel Benefits	810	926	893	4
21.00	Travel and Transportation	243	254	223	12
22.00	Transportation of Things	64	66	58	12
23.10	Rent Charges -Space	605	634	634	0
23.20	Rental of ADP Equip.	200	215	170	21
23.30	Rental of Copier Equip.	200	241	212	12
23.50	Other Comm. & Utilities	4	5	4	20
23.80	Telephone Services	400	488	400	18
24.00	Publishing	417	600	510	15
25.20	In-house Contractors	511	550	468	15
25.30	Contracts - Panelists	716	771	672	13
25.80	Other Services-Contracts	1,921	2,060	1,854	10
25.90	Other Services-Misc.	1,712	1,799	1,550	14
26.00	Supplies and Materials	200	215	200	7
31.10	Equipment	15	17	14	18
31.40	ADP Hardware Purchased	180	236	180	24
	TOTAL	15,770	17,000	15,770	7

Question: Mr. Gibbons, I remain firmly convinced of the need for the continuation of the OTA and the development of technological information and studies independent of the Executive Branch.

I am advised that Senator Stevens, the distinguished Chairman of our Defense Appropriations Subcommittee, has described OTA as a "shared resource" for Congress. Are you, in fact, working on requests from many Committees? Do these requests generally come with bipartisan support?

Response: In the past 10 years, OTA has performed assessments at the request of more than 90 Committees and Subcommittees. In FY 1984, our work was delivered to 49 Committees and Subcommittees (19 Senate; 30 House). At present, approximately 80 percent of our studies have bicameral, bipartisan support.

Over 50 Committees and Subcommittees requested the work we have in progress. For example, OTA's study of Technologies for Disposing of Waste in the Ocean is supported by requests from: 1) the House Committee on Merchant Marine and Fisheries (Chairman and Ranking Minority Member), and its Subcommittees on Merchant Marine and Oceanography; 2) the House Committee on Public Works and Transportation (Chairman and Ranking Minority Member), and its Subcommittee on Water Resources; and 3) the Senate Committee on Commerce, Science, and Transportation (Chairman and Ranking Minority Member). The ongoing study of Technology Transfer to China is another example of a study with support coming from both the Senate (Committee on Banking, Housing, and Urban Affairs; Chairman and Ranking Minority Member) and the House (Committee on Energy and Commerce; Chairman and Ranking Minority Member, as well as the Special Subcommittee on U.S. Trade with China).

Question: For the record, please give some examples of analyses you have recently delivered to Congress.

Response: The Office of Technology Assessment has recently published reports dealing with such diverse areas as toxic wastes, groundwater contamination, the changing structure of American agriculture, technology and aging, oil and gas technologies for the Arctic and deepwater, and U.S. materials import vulnerability. The following examples illustrate the scope of our work:

- FEDERAL POLICIES AND THE MEDICAL DEVICES INDUSTRY -- This assessment fills some of the gaps in the basic information about the medical devices industry and analyzes implications of alternative Federal policies. The information it provides will be used in drafting planned legislation amending the Devices Act of 1976.

- PROTECTING THE NATION'S GROUNDWATER FROM CONTAMINATION -- This study provides a comprehensive technical framework to assist the Congress in understanding and addressing the major groundwater contamination issues facing the nation: determining the extent and nature of the nation's groundwater contamination; characterizing the transport and fate of contaminants; monitoring; information management; and mitigating groundwater contamination.

- SUPERFUND STRATEGY -- The major objectives were to: (1) perform a comparative analysis of available and emerging cleanup technologies to reveal their advantages and disadvantages, costs, effectiveness, and R&D needs; (2) examine site and cleanup technology selection processes; (3) examine current procedures and future needs for setting cleanup goals; (4) assess how active and perhaps permitted waste management facilities may become future uncontrolled sites; (5) examine how the technical qualifications of personnel and Federal-State coordination affect the effectiveness of cleanup implementation; and (6) examine a number of economic issues and develop legislative options combining different choices for cleanup technologies, goals, and costs.

- CIVILIAN SPACE STATIONS AND THE U.S. FUTURE IN SPACE -- This assessment was designed and conducted to illuminate the financial, economic, international, and broad national security factors, as well as the technical considerations, involved in the debate on the future of the U.S. future in space. It provides a wide array of options for the development of space, ranging from small, incremental steps to very large commitments.

- STRATEGIC MATERIALS: TECHNOLOGIES TO REDUCE U.S. IMPORT VULNERABILITY -- This study focussed on technical opportunities to reduce our vulnerability to interruptions in supply of strategic and critical imported materials in the longer term (5 to 25 years) through, for example, substitution (including materials, process and product substitution), improved mining, processing and recycling technologies, and more efficient fabrication and design.

- BLOOD POLICY AND TECHNOLOGY -- New technologies were assessed in the areas of (1) blood collection, processing, storage, and distribution; (2) identification, isolation, production, and use of blood components; (3) blood substitutes; and (4) identification and prevention of blood-transmitted diseases and other risks (including AIDS). This work was followed by a study specifically on AIDS that was the subject of a hearing before House Committee on Energy and Commerce, Subcommittee on Health and the Environment, and the House Committee on Government Operations, Subcommittee on Intergovernmental Relations and Human Resources.

- POTENTIAL U.S. NATURAL GAS AVAILABILITY -- This study estimated, for the U.S. lower 48 states, the production potential of conventional and unconventional natural gas over the next 20 to 30 years and analyzed the technical factors that would affect this potential.

- OIL AND GAS TECHNOLOGIES FOR THE ARCTIC AND DEEPWATER -- This study addresses the questions that arise regarding the adequacy of federal policies regarding oil and gas development, including: (1) are procedures adequate for encouraging high-risk development by the industry; (2) can environmental and personnel safety be ensured; (3) is there sufficient information on resource and engineering factors, ice movement and wave and wind conditions to safely administer Federal offshore leasing; (4) are there technological factors that may affect the pace of offshore leasing; (5) are there economic factors that will affect the rate of resource development; and (6) are changes needed in the statutes and regulations to encourage industry's development of offshore resources and protect the environment.

- TECHNOLOGY, PUBLIC POLICY, AND THE CHANGING STRUCTURE OF AMERICAN AGRICULTURE: A SPECIAL REPORT FOR THE 1985 FARM BILL -- This special report was prepared to provide assessment findings which are relevant to the 1985 Farm Bill discussions. The report focusses on three main policy areas -- commodity, credit, and research and extension -- as well as summarizing background information on emerging technologies and trends in structural change.

- INFORMATION TECHNOLOGY RESEARCH AND DEVELOPMENT: CRITICAL TRENDS AND ISSUES -- Assessed future patterns of research and development in information technologies to: 1) characterize current information technology R&D activities by U.S. and selected foreign entities; 2) analyze impacts of expected changes in industry, Federal policy, competition and technology on U.S. R&D; 3) assess the effects of changing R&D patterns on future U.S. competitiveness; and 4) identify alternative Federal policies for encouraging R&D in the information technologies.

- PREVENTING ILLNESS AND INJURY IN THE WORKPLACE -- The assessment includes: 1) discussion of workplace safety and health in the U.S.; 2) data about workplace injuries and illnesses; 3) major workplace health hazards and diseases; 4) a description of technologies for evaluation and control of occupational health and safety hazards; 5) supplemental tools for occupational safety and health (e.g., occupational medicine, epidemiology, education, and training); 6) the roles of OSHA and NIOSH; 7) an analysis of the impacts of OSHA standard setting and enforcement; 8) the uses and limits of economic analysis in decisionmaking for occupational safety and health; 9) strategies for control of workplace safety and health hazards; 10) reindustrialization and occupational safety and health; and 11) safety and health in the workplace of the future.

- AFRICA TOMORROW: ISSUES IN TECHNOLOGY, AGRICULTURE, AND U.S. FOREIGN AID (Technical Memorandum) -- This OTA project provides a preliminary analysis of: 1) sustainable technologies and technical assistance programs to meet changing needs; 2) the characteristics of successful technology transfer programs; 3) the extent to which U.S.-funded agricultural assistance exhibits such characteristics; and 4) the potential role of nongovernmental groups.

Question: Is OTA presently working on some of the important issues that Congress must soon act upon? Please supply the answers for the record.

Response: OTA's work generally focusses on the more controversial, expensive, and pressing issues of the day. For example, our current work includes studies of:

o DISORDERS CAUSING DEMENTIA -- The economic, social, and health problems associated with disorders that cause deterioration of mental function (dementia) are growing rapidly. This assessment is considering Federal policy relating to two major Federal functions: 1) support of research intended to provide treatment or means of prevention, and 2) financing and monitoring of long-term care for those who have dementia.

o TECHNOLOGY AND STRUCTURAL UNEMPLOYMENT: REEMPLOYING DISPLACED ADULTS -- This study is examining both domestic and foreign reemployment and retraining programs to evaluate their ability to reduce unemployment and provide reasonable opportunities to displaced adults. Alternatives to displacement, such as continuing education for adults, plant conversion, and worker buyouts, will be assessed with respect to their ability to avoid displacement problems, and structural factors affecting the success of reemployment programs, including the rate and type of job creation, changes in patterns of international trade, and changing technology, will be examined.

o NEW BALLISTIC MISSILE DEFENSE TECHNOLOGIES -- The "strategic defense initiative" (SDI) calls for a greatly accelerated program of research and development of ballistic missile defense (BMD) systems, with the avowed goal of "eliminating the threat posed by nuclear ballistic missiles." The study is developing criteria for assessing potential BMD systems and their components by identifying a range of possible objectives for a deployed system and translating these into performance requirements. The project also includes analysis of anti-satellite (ASAT) systems, since ASAT and BMD technologies are inherently related -- advanced BMD systems would almost certainly have ASAT capabilities, and ASAT systems are among the critical possible countermeasures to a BMD system.

o TECHNOLOGY TRANSFER TO CHINA -- The People's Republic of China (PRC) is introducing major changes as it rapidly modernizes its economic system and seeks improved global relationships. This assessment is examining the role of imported science and technology in the plans of the PRC; the technology the U.S. and other nations can supply; the impacts of policies, both for control and promotion, on these transfers; and the security and commercial risks involved.

o PHYSICIANS AND MEDICAL TECHNOLOGY: USE, COST, AND PAYMENT METHODS -- Physicians directly or indirectly account for an estimated 80 percent of expenditures on medical technologies, and attention is increasingly being turned to them in the effort to control the use and cost of medical technology. In accordance with a provision in the Deficit Reduction Act of 1984 (Public Law 98-369), the Office of Technology Assessment is examining alternative methods of paying physicians under the Medicare program, including prospective payment.

- ALTERNATIVES TO ANIMAL USE IN TESTING, RESEARCH, AND EDUCATION - Approximately 17-24 million animals are used annually for both toxicity testing and biomedical and behavioral research. This assessment is examining the current patterns of acquisition and use of animals in the distinctly different disciplines of toxicity testing and biomedical and behavioral research. In addition, the feasibility and cost of developing technologies that could potentially substitute for animals in either of these areas is being evaluated.

- FEDERAL GOVERNMENT INFORMATION TECHNOLOGY: CONGRESSIONAL OVERSIGHT AND CIVIL LIBERTIES -- The U.S. government, already a major user of computerized information systems and other information technology, is at the threshold of a major transition to the next generation of this technology. This study will evaluate computer and communication technologies relevant to government information systems, and determine, to the extent possible, where and how computerized systems are fundamentally changing the administrative process and/or outstripping the existing framework of legal and procedural safeguards to civil liberties and mechanisms for congressional and judicial oversight.

- TECHNOLOGIES FOR DISPOSING OF WASTE IN THE OCEAN - Due to lower disposal costs relative to other alternatives, and increasing public opposition to land-based disposal alternatives, it is likely that pressure to use the ocean for waste disposal will continue or increase. The assessment will examine the different technologies used or proposed for disposal of different types of waste in the ocean, and will address policy issues related to the role of the oceans within an overall waste management context, alternative strategies for managing these wastes in coastal areas, the pretreatment of wastes prior to disposal, and research and development priorities.

In addition to our full assessments, OTA also undertakes shorter term projects that draw upon our past experience and special expertise. We are currently looking at the costs of smoking, the problems with enforcing our current controlled substances laws against so-called "designer drugs," and veterans' health issues.

OTA is constantly cooperating with Committees in the planning for new studies. Of the many under consideration at present, I would like to bring one in particular to your attention:

- o TECHNOLOGIES FOR CONTROL OF DRUG TRAFFIC -- OTA has been approached about examining technologies for control of drug traffic. An analysis of this nature would require development of background information on illegal drug trade statistics, federal programs to control drug traffic (i.e., U.S. Coast Guard, Customs Service, Drug Enforcement Administration, National Narcotics Interdiction Border System), and legislative initiatives. OTA would also look at the adequacy of existing drug trade control efforts, including control of smuggling by sea and air (techniques for suveillance, detection, interception, costs, limitations, and potential), control at ports of entry, and border control. OTA would attempt to identify problems with existing federal programs -- examining measures of effectiveness, resource limitations (technologies, funds, people), agency coordination, defining the proper military role, and collecting and distributing intelligence. Finally, OTA would give an analysis of future initiatives and alternatives,including new technologies (surveillance, detection, sensors, vehicles, and platforms for interdiction), hardware and data from other federal agencies or operations, use of military hardware, and comparisons of cost effectiveness.

Question: For the record, can you give an example of how OTA's work on a major issue before the Congress provides a different or unique dimension from the other Congressional support agencies? In other words, how can I assure my colleagues that there is no duplication and overlap in these areas?

Response: Let me respond with a current example: OTA's work on Superfund -- the Comprehensive Environmental Response, Compensation, and Liability Act.

All four agencies have done work on Superfund for the Congress. CRS has delivered a number of short responses to specific inquiries. CBO has developed a sizeable economic model that it uses to predict a number of outcomes of policy actions. GAO has done a number of studies, ranging from waste disposal problems at federal facilities, to the experience of the States with waste-end taxes.

OTA, however, has addressed several dimensions of the problem not covered by the other agencies. First, we have taken a hard look at the technologies, both conventional and innovative, that are being used or can be used for Superfund cleanups. We have analyzed the technical adequacies of conventional technologies, both in our most recent report, Superfund Strategy, and in our earlier report, Technologies and Management Strategies for Hazardous Waste Control. In the Superfund report, we examined the development status, technical merits, and barriers to further development and use of a number of innovative technologies, an analysis that clarified the existence of alternatives to the current Superfund strategy of containment and redisposal in landfills. *Second*, a technical analysis of the effects of the groundwater protection regulations adopted under RCRA (Resource Conservation and Recovery Act) as applied to Subtitle C (hazardous) waste disposal sites revealed that the regulations could not, even if perfectly implemented, compensate for the technical inadequacies of the land disposal technology.

A *third* area that only OTA covered was the institutional capability to actually clean up a large number of sites. We found:

- a lack of experienced people (for instance, hydrogeologists) and of training and educational programs;
- inadequate understanding of health and environmental effects of waste disposal;
- a lack of national cleanup goals or criteria about what is "clean;"
- an incomplete understanding of the scope of the problem;
- ineffective means for public participation; and
- a lack of permanent cleanup technologies.

Finally, OTA developed a simple systems analysis of the Superfund problem, which, coupled with our analyses of technologies, regulations, and institutions, enabled us to integrate our findings, analyze the current ad hoc Superfund strategy, and develop for Congressional consideration an alternative strategy to the one currently used by EPA. The alternative strategy exploits the new technologies available and provides time for the necessary institution-building required for handling the large number of Superfund sites.

Question: What kind of checks and balances does the OTA employ to assure that the information that OTA provides is unbiased and accurate? Please supply for the record.

Response: OTA uses a unique process of checks and balances to assure that our work is unbiased, comprehensive, and accurate. Our multidisciplinary permanent staff is often supplemented by temporary appointments to provide flexibility of special expertise in carrying out an assessment or project. Recruitment is pinpointed to suit the specialized needs of projects; thus we maintain a capacity to meet changing needs of Congress while still providing continuity and institutional memory through our permanent staff.

OTA also makes extensive use of advisory groups. The Technology Assessment Advisory Council comprises recognized leaders and experts in technology and policy analysis. The TAAC meets two or three times each year and advises the Congressional Board and the Director on both technological developments and quality of OTA's work. Crucial to each assessment are the advisory panels specifically chosen to help guide the work of each project. The advisory panels are carefully constituted to bring together experts and the parties at interest -- representing diverse viewpoints -- on the issue at hand. The panels meet 3-4 times during the course of a project and provide critical guidance, review, and commentary on the scope, comprehensiveness, quality, completeness, and objectivity of a study. OTA does not ask a panel to approve or "vote" on a project, but OTA does take the advice of its panels with great seriousness.

OTA has consistently been able to attract top-flight people to serve on advisory panels. As an example, see the attached list of members of the panel for our ongoing study of New Ballistic Missile Defense Technologies.

Drafts of each assessment are also sent out to selected individuals in addition to the advisory panel for peer review before going to the Technology Assessment Board for approval to release. In other words, OTA goes to extreme lengths to assure that its work is fair and representative of the best scientific and technical information available on a subject. The number of people and organizations helping OTA in its work is large (about 2000 per year, many without compensation) and they come from both inside and outside government. We build upon the work of our sister Congressional agencies as well as Executive branch agencies and private sector organizations in a variety of ways, and use their assistance to assure our own accuracy.

NEW BALLISTIC MISSILE DEFENSE TECHNOLOGIES STUDY ADVISORY PANEL

Chairman
Dr. H. Guyford Stever
President
Universities Research
Association

Dr. Solomon Buchsbaum
Executive Vice President
Customers Systems
AT&T Bell Laboratories

Professor Ashton B. Carter
Center for Science and
International Affairs
Kennedy School of Government
Harvard University

Mr. Robert G. Clem
Director of Systems Sciences
Sandia National Laboratories

Dr. Sidney D. Drell
Deputy Director
Stanford Linear Accelerator
Center

Mr. Daniel Fink
President
D. J. Fink Associates Inc.

Dr. Richard Garwin
IBM Fellow
IBM Thomas J. Watson Research
Center

Admiral Noel Gayler, USN (Ret.)
American Committee on East-West
Accord

Dr. Colin Gray
President
National Institute for Public
Policy

Mr. George Jeffs
President
North American Space Operations
Rockwell International

General David Jones, USAF (Ret.)

Dr. Michael M. May
Associate Director at Large
Lawrence Livermore National
Laboratory

The Honorable Robert S. McNamara

Dr. H. Alan Pike
Program Manager, Space Stations
Lockheed Missiles and Space
Company

Dr. Frederick Seitz
President Emeritus
The Rockefeller University

Dr. Robert W. Selden
Associate Director for
Theoretical and Computational
Physics
Los Alamos National Laboratory

Professor Marshall D. Shulman
Director
Harriman Institute for Advanced
Study
of the Soviet Union
Columbia University

Ambassador Gerard C. Smith
President
Consultants International Group,
Inc.

Dr. Sayre Stevens
Vice President
National Security Research Group
Systems Planning Corporation

Major General John Toomay, USAF
(Ret.)

Dr. Seymour Zeiberg
Vice President
Research and Engineering
Operations
Martin Marietta Aerospace

Question: For the record, please indicate how OTA fits in with Committee staff and other Congressional support agencies? I believe that OTA is the only Congressional support agency that works strictly for Committees. Is that correct? Please elaborate.

Response: Each of the Congressional support agencies provides unique services to Congress:

- The Congressional Budget Office (CBO) furnishes Congress key information relating to the U.S. economy, the federal budget, and federal programs. In addition to providing biannual forecasts of the state of the economy, CBO reviews and analyzes the President's budget and provides 5-year cost estimates on all legislation reported by Congressional Committees.

- The Congressional Research Service (CRS) provides a variety of information services, such as bill digests, bibliographic references, and reference kits of information, audio briefs, reports, and issue briefs. More often than not, these services are provided under tight time constraints.

- The General Accounting Office (GAO) evaluates programs, activities, and financial operations of federal departments and agencies and their contractors and grantees. GAO makes recommendations to the Congress or the agencies on how federal programs or agency operations can be made more effective, efficient, and economical.

- OTA is unique in that it is the only Congressional support agency whose work is governed by a bipartisan, bicameral Congressional Board of Directors. OTA differs from Committee staff in that we are one step removed from the legislative process and less subject to the pressures and time constraints that beset those involved in enacting legislation. The bulk of our work centers on comprehensive, indepth assessments of technology and its near and long term impacts. These projects require a year or more to complete. We also provide interim analyses relevant to near term Congressional needs that relate to current or past assessments. OTA's multidisciplinary staff plans, directs, and drafts all assessments but draws heavily on technical and professional resources of the private sector, including universities, research organizations, industry, and public interest groups, and Executive Branch agencies as appropriate.

Question: Would you please provide for the record some examples of direct legislative use of OTA's work?

Response: Listed below are some activities during fiscal years 1984 and 1985 that illustrate the link between OTA's work and Congressional decisions.

1. OTA contributed three studies (Technologies and Management Strategies for Hazardous Waste Control; Habitability of the Love Canal Area; and Superfund Strategy) to the Congressional debate on hazardous waste issues. OTA identified ways to save substantial sums of money in the long term -- probably many hundreds of millions of dollars -- by bringing about changes in government regulations and management practices that will avoid and prevent costly corrective actions at future uncontrolled sites. Both the Senate and House reauthorizations of RCRA include two such provisions: limiting the use of land disposal, and regulating small volume waste generations.

2. OTA was mandated by Congress to review the original Veterans' Administration protocol for a study of possible Health Effects from Agent Orange on Vietnam War Veterans that is going to cost between $70 million and (perhaps) $200 million. OTA was partially responsible for the analysis of ground troops' health effects being moved to the Centers for Disease Control, part of the Department of Health and Human Services. Since the move, OTA reviewed and approved CDC's plans for the study and will now monitor the study's conduct. OTA has testified about CDC's plans and the results of CDC's study of birth defects related to Vietnam service. As a result of the mandated involvement of OTA, Congressional Committees have requested advice on several other issues related to Agent Orange.

3. OTA's Report, Nuclear Power in An Age of Uncertainty, provides a detailed analysis of the problems facing the federal government and the nuclear power industry in the U.S. and a basis for restoring the nuclear option in the United States should it be needed. The technical options were used as support for new nuclear R&D initiatives from the Congress, and the report has been received as a key source of analysis for energy policy makers.

4. An OTA Technical Memorandum, Review of Postal Automation Strategy: A Technical and Decision Analysis, was used by the House Committee on Post Office and Civil Service to reexamine the plans of the Postal Service to invest $400-500 million in optical character reading equipment for use with the nine digit zip code. Subsequently, the USPS adopted a strategy, consistent with OTA analysis, that provides for cost avoidance, over the life of the investment, of a minimum of several hundred million dollars.

5. Testimony and advice drawn from OTA's ongoing assessment of Information Technology Research and Development was used by the House Committee on Science and Technology and the House Committee on Appropriations to develop policy for a variety of

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federal actions to stimulate the development and use of supercomputers.

6. Testimony prepared from OTA's ongoing study of Intellectual Property Rights in An Age of Electronics and Information helped the House and Senate Committees on the Judiciary in developing a new law that provides intellectual property protection to the microelectronics industry.

7. Acid Rain and Transported Air Pollutants: Implications for Public Policy -- To assist Clean Air Act deliberations, this assessment produced more than 20 interim products prepared for both the House and the Senate, in addition to the full assessment report. These included several bill analyses and special responses in the areas of control costs and ecological effects. The staff has conducted numerous briefings and testimony on different parts of the assessment.

8. International Competitiveness in Electronics provided Congress with information on: 1) the importance of gathering information on Japanese science and technology; 2) the need for Federal support for technology development; and 3) the effects of the U.S. tax system on productivity. Partially as a result of OTA testimony on the subject, Congress authorized an expanded role for the National Technical Information Service in acquiring and disseminating information on Japanese science and technology, and made modifications in two bills concerned with manufacturing -- H.R. 4047 and H.R. 4415 -- based on OTA's suggestions.

9. Environmental Protection in the Federal Coal Leasing Program -- Congress mandated OTA to review the potential environmental consequences of changes in federal coal leasing policy that occurred in 1981 and 1982. The Department of Interior concurred with nine of the ten technical and policy options suggested by OTA, has already begun to implement three, and is studying how to implement the remainder. If fully implemented, these revisions should ensure adequate environmental protection without adding to the cost of operating the program.

10. The OTA assessment, Potential U.S. Natural Gas Availability, estimated for the U.S. lower 48 states, the production potential of conventional and unconventional natural gas over the next 20 to 30 years and analyzed the technical factors that would affect this potential. The study verifies the estimates of natural gas producers that increased prices of old natural gas (gas put into interstate commerce prior to 1977) will significantly increase the quantity of old natural gas reserves. The report projects the reserve additions that would occur in the event of removal of price controls on old gas. This was a key element in the debate over gas pricing.

11. Scientific Validity of Polygraph Testing: A Research Review and Evaluation - This Technical Memorandum indicated that there is little or no scientific basis for the expanded uses of polygraph testing proposed by DOD and other branches of the

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federal government. The review is widely used as the technical basis for the substantive debate as Congress continues to address the issue. It was used heavily for development of a bill that would limit federal polygraph use, and was the focal point of House hearings on that bill and Senate hearings on DOD polygraph use.

12. Technology, Public Policy, and the Changing Structure of American Agriculture: A Special Report for the 1985 Farm Bill -- This special report was prepared to provide assessment findings which are relevant to the 1985 Farm Bill discussions. The report focusses on three main policy areas -- commodity, credit, and research and extension -- as well as summarizing background information on emerging technologies and trends in structural change.

Question: Mr. Chairman, I have several letters from Senators Proxmire, Hart, McClure, Stafford, and Pressler, and Congressman Waxman stating that OTA has consistently provided a high level of responsive service to the Committees of Congress over an extended period of time. I ask that these letters be printed in the record at this point.

Response: Letters attached.

Letter From Senator William Proxmire

August 3, 1979

Dr. John H. Gibbons
Director
Office of Technology Assessment
United States Congress
Washington, D.C. 20510

Dear Mr. Gibbons:

I thought you might be interested in reading a copy of a letter which I wrote to the Majority Leader describing the tentative conclusions of the Banking Committee on the energy bills about which you testified last week. After the hearings, the committee met to consider these bills, and concluded that a massive, synthetic fuels program would not be appropriate at this time. The committee did agree to endorse a modest synthetic fuels commercialization program, on the order of 4 to 6 commercial process plants, but there was unanimous agreement that a crash program with major government subsidies was not warranted. The committee also concluded that solar and conservation technologies probably probably show the most potential for affordable energy savings.

Although much work remains to be done before consideration of these bills has been completed, I believe that these tentative conclusions evidence a remarkable turnaround in committee sentiments. Your testimony, and that of other witnesses, played a significant role in changing these opinions.

A statement by Senator Donald Stewart at the committee session particularly emphasizes the significance of the testimony received at the hearing. Senator Stewart was an early co-sponsor of Senate Bill 1377, a very ambitious and costly synthetic fuels bill. At the committee session, he said "I think this committee could do the Senate a great service, Mr. Chairman, if you would just require them all to read the testimony that was presented before this committee. . . That's exactly what I did over the weekend, and even though I signed on to a synthetic fuels bill, everybody is entitled to make a mistake. I'm going to ask that my name be taken off of that one at this particular time because of the tremendous expenditures that are involved."

This is a very clear description of the effectiveness of the testimony given by you and other witnesses. On behalf of the entire Committee, I would like to thank you for the obvious thought and effort that you put into your recent testimony.

Sincerely,

William Proxmire
Chairman, Committee on Banking, Housing, and Urban Affairs

LETTER FROM SENATOR WILLIAM PROXMIRE

July 31, 1979

The Honorable Robert C. Byrd
U.S. Senate
133 Russell Senate Office Building
Washington D.C. 20510

Dear Bob:

Pursuant to our agreement, the Committee on Banking, Housing and Urban Affairs met today to discuss action on pending energy financing proposals. There was general agreement among the committee members that it would be premature to take action on these bills before the recess and that further discussion and development of alternatives are needed.

However, an understanding was reached concerning the broad outlines of certain portions of the energy financing package. The committee was unanimous in believing that the Administration proposal to create a synthetic fuels industry with a 2.5 million barrel a day capacity by 1990 was much too ambitious, much too costly and might prove to be counterproductive.

The members were in agreement that a more cautious and deliberate synthetic fuels commercialization strategy would be more appropriate and would yield the best results over the long term. Although there was little discussion and, therefore, no agreement on the range of federal incentives for synthetic fuels development, there was agreement that a prudent first-stage program would entail construction of only 4 to 6 commercial process plants. Such a program would minimize government risk, avoid spillover effects on the economy, and yield important information for subsequent efforts with respect to costs, technical feasibility and environmental effects.

In addition, the Committee tentatively agreed that a solar bank proposal be included in any omnibus legislation, that measures be designed to stimulate further the conservation of energy, and that additional financing assistance be provided for alternative energy sources, particularly on the part of small to medium sized firms.

In accordance with these general agreements, the staff has been directed to consult with the staff of other committees and to develop a program embodying these principles and containing various options for development of other energy sources. Further development of the committee's proposals should occur during the balance of this week and the recess.

I believe that the committee has made substantial progress toward agreement on a prudent and productive energy package which will make a substantial contribution toward decreasing our dependence on imported oil. I am optimistic that the committee will meet the reporting schedule agreed to by the committee chairmen and yourself last week.

Sincerely,

William Proxmire
Chairman
Committee on Banking,
Housing, and Urban
Development

LETTER FROM SENATOR GARY HART

October 3, 1979

Dr. John H. Gibbons
Office of Technology Assessment
600 Pennsylvania Avenue, SE
Washington, DC

Dear Dr. Gibbons:

On behalf of the Subcommittee on Synthetic Fuels, I want to thank you for your excellent work. Your report for the Subcommittee and your testimony were of great value.

The Subcommittee's *Report* is actually a summary and integration of the work done by the Office of Technology Assessment, the other advisors to the Congress, and the outside consultants. Your report is reproduced in entirety as an appendix to the Subcommittee's *Report*.

The quality and quantity of your work under extreme time pressures was remarkable. I am very grateful for your efforts.

As a result of this work, the Congress will be much better informed and hence better able to advance national energy policy.

Sincerely,

Gary Hart

Gary Hart

Enclosure

Letter From Senator James A. McClure

October 9, 1981

Dr. John H. Gibbons
Director
Office of Technology Assessment
600 Pennsylvania Avenue, S.E.
Washington, D.C. 20510

Dear Dr. Gibbons:

As you know, I have recently introduced a comprehensive nuclear waste management bill which I believe can be the basis for final Congressional resolution of the nuclear waste policy impasse.

We are planning to mark up the bill in the next few weeks. Therefore, I would like to request that the OTA project staff provide us with a detailed section-by-section analysis of our bill, and written responses to key questions from our committees, in order to make the greatest possible contribution to the legislative process. I recognize that this could increase the time required to complete the study but we believe that having this kind of staff support is more critical to the Committee's needs at this time than the completion and delivery of the final report.

I would like to note that your project staff has already been most helpful to our Committee in providing information to our staff during the development of the legislation, and in preparing the testimony presented to us on October 6. In particular, the thinking done by OTA in collaboration with the Congressional Budget Office on the important idea of financing radioactive waste disposal through direct user charges rather than Federal appropriations was of great value to us.

Sincerely,

James A. McClure

James A. McClure
U.S. Senator

LETTER FROM SENATOR ROBERT T. STAFFORD

February 7, 1985

Dr. John H. Gibbons
Director
Office of Technology Assistance
600 Pennsylvania Avenue
Washington, DC 20510

Dear Dr. Gibbons:

In reviewing issues for the new Congress, I was reminded of the excellent work which Dr. Robert Friedman of your staff has done and realized that I had never communicated this to you in exactly those words.

The Congress in general, and the Committee on Environment and Public Works in particular, have been wrestling with the problem of acid deposition for over four years now. Most of that was during a time in which information from the Executive Branch on the subject was sketchy and often unavailable. Thus, those involved in the debate came to rely to a greater and greater degree on Dr. Friedman and his work.

It almost goes without saying that he was invaluable. Were that not the case, I would not be taking the time and trouble to write this letter. What I believe is worth noting is not only that he consistently provided this Committee and its Members with reliable, accurate and timely assistance (usually on extremely short notice), but that he provided the same assistance to those who did not necessarily share our views. The character of Dr. Friedman and his assistance was and is such that those on opposite sides of the issue were confident in his objectivity and accuracy, which gave him a level of credibility possessed by no other person or institution involved in the acid rain debate. I can think of no higher compliment to pay a person charged with providing assistance to the Congress and its Committees.

Please accept my congratulations on your good fortune in having Dr. Friedman as a member of your staff.

Sincerely,

Robert T. Stafford
Chairman, Committee on
Environment and Public Works

LETTER FROM SENATOR LARRY PRESSLER

February 1, 1984

Dr. John H. Gibbons
Director
Office of Technology Assessment
Congress of the United States
Washington, D.C. 20510

Dear Jack:

I was pleased when OTA agreed to hold a workshop on space arms control. Now that the meeting has ended, I wish to commend you and your entire national security staff for executing this important activity, particularly Skip Johns and Peter Sharfman for their leadership in arranging the workshop, and Bruce Blair, Tom Karas, Jerry Epstein, Jannie Coles and Jackie Robinson for all the hard and detailed work that made it a success.

The Office of Technology Assessment has in a short time earned a distinguished reputation for the review and analysis of key technological issues facing the U.S. Given the high level of expertise reflected in the two-day workshop on arms control in space, it is clear to me that OTA's reputation is rightly earned. The quality of discussion was outstanding.

I believe that the careful examination of space arms control permitted by the workshop format provides an important supplement to testimony previously received by the Foreign Relations Committee. As such, the workshop proceedings will be invaluable as a source of ideas and information as the Congress addresses current and future space security issues. I look forward to the completion of this important document.

With warm regards,

Sincerely,

Larry

Larry Pressler
Chairman, Subcomittee on Arms
Control, Oceans, International
Operations and Environment .

LETTER FROM CONGRESSMAN HENRY A. WAXMAN

June 30, 1983

Mr. John H. Gibbons
Director
Office of Technology Assessment
Washington, D.C. 20510

Dear Mr. Gibbons:

I would like to thank you for the outstanding technical assistance provided by the Office of Technology Assessment (OTA) during the preparation of H.R. 3400, the "National Acid Deposition Control Act of 1983."

The OTA analysis, provided on June 22, will prove invaluable during the Congressional deliberations ahead. With this information, Members of Congress will be able to more effectively evaluate the merits of the legislative proposal in terms of the level of acid rain control to be achieved, the estimated coal production effects, and the electric utility rate increases across the country. Let me say that had it not been for OTA's efforts, along with the exceptional expertise of Robert Friedman of your staff, the Subcommittee Members would have been virtually without the necessary analytical base to draft and consider nationwide acid deposition control legislation. I believe that all of the Members of Congress and ultimately the American public will benefit greatly from this legislative proposal which has such a sound technical foundation.

Thank you again for your office's vital contribution to the resolution of this complex national issue. I look forward to working with you in the future.

With every good wish I am,

Sincerely,

Henry A. Waxman
HENRY A. WAXMAN
Chairman, Subcommittee on
Health and the Environment

CONCLUSION OF HEARINGS

Senator D'AMATO. That concludes the hearings. The subcommittee will recess and reconvene at the call of the Chair.

[Whereupon, at 3:27 p.m. Tuesday, May 21, the hearings were concluded and the subcommittee was recessed to reconvene at the call of the Chair.]

LIST OF WITNESSES, COMMUNICATIONS, AND PREPARED STATEMENTS

Page
Balderson, Stuart, Financial Clerk of the Sente 1
Boorstin, Daniel J., Librarian of Congress 73
Bowsher, Charles A., Comptroller General of the United States, and Chairman, Railroad Accounting Principles Board 317
  Letter from 359
  Prepared statements 318, 424, 428
Cannon, M. Joseph, Comptroller, Government Printing Office 291
Carvino, James J., Chief of the Capitol Police 39
Coe, Jo-Anne L., Secretary of the Senate 1
  Prepared statement 2
Cook, Howard R.L., director, Black Employees of the Library of Congress, and vice president, Ethnic Employees of the Library of Congress, prepared statement 96
Cooke, Eileen D., director, American Library Association, letter from 89
Ensign, William L., Assistant Architect of the Capitol 161
Fossedal, Donald E., Assistant Public Printer (Superintendent of Documents) 291
Garcia, Ernie, Deputy Sergeant at Arms of the Senate 39
Gibbons, John H., Director, Office of Technology Assessment 435
  Prepared statement 436
Gude, Gilbert, Director, Congressional Research Service 73
  Prepared statement 78
Holmberg, Bruce, Director of Facilities and Financial Management, Office of the Sergeant-at-Arms 39
Kennickell, Ralph E., Jr., Public Printer 291
  Letter from 296
  Prepared statement 299
McKendry, Robert J., Deputy Public Printer (Operations) 291
McMahon, Anthony, General Counsel, Government Printing Office 291
Miles, Barbara L., president, Congressional Research Employees Association, prepared statement 91
Nersesian, Lynda, Assistant Secretary of the Senate 1
Penner, Rudolph G., Director, Congressional Budget Office 243
  Prepared statement 244
Perry, George E., president, Ethnic Employees of the Library of Congress, and general counsel, Black Employees of the Library of Congress, prepared statement 96
Smith, Larry E., Sergeant-at-Arms, U.S. Senate 39
  Prepared statement 40
Socolar, Milton J., Acting Comptroller General of the United States, letter from 407
Sonntag, W. Scott, III, Director, Congressional Printing Management Staff, Government Printing Office 291
Stevens, Hon. Ted Stevens, U.S. Senator from Alaska, and Chairman, Congressional Board, Office of Technology Assessment, prepared statement 448
Udall, Hon. Morris K., U.S. Congressman from Arizona, and Vice Chairman, Congressional Board, Office of Technology Assessment, prepared statement 449
Welsh, William J., Deputy Librarian of Congress 73
White, George M., Architect of the Capitol 161
  Prepared statement 163

4179

SUBJECT INDEX

ARCHITECT OF THE CAPITOL

Page

- Botanic Garden 224
- Budget increases 161
- Capitol buildings 203
- Capitol grounds 209
  - Positions request withdrawn 172
- Capitol Power Plant 221
- Contingent expenses 202
- Cyclical maintenance 162
- East Plaza security proposal 176
  - Hydraulic barriers 177
  - Security coordination team 180
- Elevator operators 237
- Energy conservation, program for 226
- Fiscal year 1986 request 186
- Hart Building elevator delays 166
  - Contract review and awards 169
  - Contract timing 167
  - Elevator controls study 167
  - Priority assignation 168
- Hart Senate Office Building 218, 234
- Immigration Building 217, 236
- Library buildings and grounds 223
- Longworth Building request 170
  - Electrical, data, and smoke detector systems 171
- Major construction projects, status of 182
  - Library of Congress restoration/renovation 184, 238
  - West central front 182, 235
- Parking space availability on square 724 180
- Plaza Hotel 216
- Senate Computer Center 216
- Senate office buildings 212
- Senate subway system 172
  - Jurisdiction by Senate Rules Committee 172
  - Service modification 175
  - Subway system alternative 174
  - Uniquely designed cars 173
- Travel expenses, limitation on 187

CONGRESSIONAL BUDGET OFFICE

- Budget Analysis Division:
  - Decrease in 272
  - Understaffing of 271
- Budget request 269
  - Freeze at fiscal year 1985 level 286
- Computer-related costs 270
- Data processing, cuts in 275
- Microcomputers, number purchased 273
- Organizational structure 269

4,50

Page
Personnel 270
Services 269
Support services, other 270
Ten-percent cut mandated 274, 287

GENERAL ACCOUNTING OFFICE

Accounting and financial management 352
Asbestos removal 354, 410
Budget constraint, fiscal year 1986 344
Budget reduction 358
Congressional budget 353
Consolidated financial management 342
Contracting Act, competition in 426
Discrimination award 426
DOD budget, request to review 342
Financial integrity 356
Financial management improvement 399, 416
IMTEC Division 418
Interstate Commerce Commission 343
  Rate of obligations 348
Legislative branch budget request, OMB reduction of 402
Management training 410
"Managing the Cost of Government," overview of 345
Measurable savings of GAO work 333
Merit Systems Protection Board 342
New positions, requests for 416
Office of Information Resources Management 355
OMB Circular A-127 419
Plant care, contracts for 406
Report readability 355
Savings in fiscal year 1986 defense request 341
Shippers' interest 434
Staffing 351, 433
Training programs 414

GOVERNMENT PRINTING OFFICE

Budget request 291, 299
Executive branch print shops 295
Future plans 293,307
General sales profit 301
Improvements at Government Printing Office 292
Land acquisition 294
Negotiated procurement authority 293
Printing and binding income 300
Revenue, increase in 292
Marketing efforts 302
Operational improvements 303
Negotiation authority, new 306

LIBRARY OF CONGRESS

Automation activities 75, 143, 150
Books for the blind and physically handicapped 145, 155
Cataloging Distribution Service 141
Columbus celebration 76
Committee on Automation Planning 83
Computers in the legislative branch 155

481

Page

- Congressional Research Service:
  - Budget, 158
  - Conferences, 87, 148
  - Director's remarks, 77
- Deacidification facility progress, 82
- Nondepartmental witnesses, 88
  - American Library Association, 89
  - Congressional Research Employees Association, 91
- Overseas Acquisition Program, 75
- Preparation of books, 86, 137
- Research and Reader Services Department, 142
- Restoration and renovation progress, 81
- Semiconductor chip claims, 86
- Serials management system positions, 84

OFFICE OF TECHNOLOGY ASSESSMENT

- Computers and productivity, 452
- General reduction, 454
- Printing costs, 452, 457
- Shared resource for Congress, OTA is a, 449
- Technology and designer drugs, work on, 450
- Technology change in government, impact of, 451

U.S. SENATE

OFFICE OF THE SECRETARY OF THE SENATE

- Audits utilized in monitoring operations, 35
- Communications, delayed receipt of, 36
- Cost reductions, potential, 34
- Management Board meetings, 35
- Page School, 38
- Senate staff oral history program, 37
- Stationery Room, 37
- User fee for Senate documents proposed, 34

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

- Computer services, 49
- Financial management, 53
- FTS costs, increased, 48
- LEGIS service, 68
- Office automation, 62
- Printing services, 52
- Security procedures, 54
- Senate phone system, 47
- Telecommunications, 70

O